

Joint Audit Committee Meeting – Part A

Friday 22nd March 2019

10:00, GF01, Kelvedon Park

PRESENT:-

Members: Acting Chair: 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); Pippa Brent-Isherwood (P-BI); Finance Officer Abbey Gough (Minute Taker);

Essex Police Force: Chief Constable BJ Harrington (BH); Debbie Martin (DM); Claire Heath (CH)

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

Grant Thornton: Marcus Ward (MW); Parris Williams (PW)

1. **Apologies for absence:** Deputy Police Fire and Crime Commissioner Jane Gardner (JG); Jonathan Swan (JS); Mark Gilmartin (MG); Vicki Harrington (VH)
2. **Declaration of Interest**
None
3. **Minutes of the meeting held on 12th December 2018**
Minutes of the meeting were approved.
4. **Action Log / Matters Arising**

All action were agreed and closed
5. **Work Plan**

Members to discuss the work plan with AG outside the committee
6. **Risk Register**
 - a. **OPFCC Risk Register**
See Part B Minutes
 - b. **Essex Police Risk Management Report**
See Part B Minutes
7. **Internal Audit Progress Report**

AO presented the internal audit progress report to the committee, four final reports have been issued since the last committee with 2 more in draft and the fieldwork for 5 further audits in progress. DH notes that the IT Licensing audit may be completed in

2019/20 as RSM will need to finalise their opinion for the PFCC and Chief Constable before this report is expected to be completed. DH said that he expected to issue a positive opinion to both corporations sole.

The members asked if the current internal audit plan had been too optimistic as some audits had been pushed back. DH said that the Risk Management audit had been moved due to the change in processes and it was felt that it would be more appropriate to complete the audit on the new system rather than an old process. DH said that the plan was reviewed in quarter 3 to consider where those audits planned for quarters 3 and 4 were still relevant.

The members asked why the Contract Management audit was an advisory report, follow previous audit report which was issued. AO said that this was an advisory at the request of management, the field work took place in quarter 1, however due to the significant number of changes taking place in the team it had taken some time to finalise the audit. The actions coming out of the Contract Management audit will be considered in the follow up. Any advisory audit will be considered when RSM issue their opinion to the Chief Constable and PFCC.

The members noted the improved KPI's.

AO summarised the completed audits. Payroll received substantial assurance, with a number of low priority actions. Treasury Management received substantial assurance, with two low priority actions. Creditors received partial assurance with one low, medium and high priority action.

The members questioned the implementation dates for the Creditors audit and asked if they could be brought forward. DM to review the implementation dates for the Creditor audit.

Action 4/19 – DM to review the implementation dates for non-purchase orders within the creditor audit

The members discussed the Contract Management advisory audit and it was noted that there was considerable resource pressure within the team. The members asked if management were aware of the high value contracts noted in the report. BH confirmed that management were aware of these areas.

The members asked if the top 20 contracts on the contracts register could be presented to the next audit committee for review and consideration by the committee. RH also requested that procurement should be added to the PFCC Performance and Resources Board.

Action 5/19 – Procurement to provide a report to the next committee which details the top 20 contracts as listed on the contract register

8. Essex Police Internal Audit Tracker

DM said that there had been an ongoing conversation regarding the outstanding Contract Management action and whether this had been superseded by an action in the recent advisory. DM confirmed that she is due to meet with the procurement team to discuss the requirements of the action and how to close this. DM reported that additional evidence for other outstanding actions had been requested prior to closing them.

The members asked whether the progress made against the POCA recommendations was sufficient. BH said that good progress had been made to date and he was fully aware of the training which was in place and the work which has been completed by the POCA team.

The members asked whether further details could be included within the tracker which detailed who, what and when against the recommendation updates.

Action 6/19 – DM to ensure that further reports include additional details such as who, what and when

9. Internal Audit Plan 2019/20

DH presented the plan for 2019/20 and noted that of those audits planned for the year four were joint audits with Kent and Essex Police, nine were risk based audits, plus the key financial control audits. DH also updated the committee on the additional audits which were discussed with key stakeholders when building the audit plan for the 2019/20 financial year, this will provide a good pipeline of work for RSM should there be any changes to the plan. DH also highlighted the Appendix C which provided an assurance map of audit.

The members discussed the planned balance sheet view and what this actually referred to. It was confirmed that the review would be practical rather than technical and would consider the value of assets and use of reserves. RH confirmed that this had been included at the request of the PFCC.

DH provided the members with reassurance that the key areas included within the audit plan were similar to other organisations. This included the key themes of IT, finance and information management.

A discussion took place on the potential inclusion of an audit to provide assurance on external funding received from partners to fund policing. It was agreed that once processes have been established within Essex Police for this funding then RSM could consider providing assurance on this area. This could be reviewed at the mid-year stage if the procedures have been established.

RH noted that Police and Crime Plan will be reviewed and updated/rewritten in 2020/21. DH acknowledged and would amend in the plan.

Action 7/19 – DH to amend the review date of the Police and Crime Plan to 2020/21

10. External Audit Plan 2018/19

MW presented the external audit plan to the committee. MW noted that the key areas of risk included the potential for management override and that they would review journals, estimates and accounting policies. Other areas to consider are the land and building estimates and the pension fund liabilities. MW confirmed that they have rebutted the revenue risk as they have assessed that this is difficult to manipulate.

MW highlighted the key areas which would be considered within the value for money audit, these areas are completion of the Police and Crime Plan, Medium Term Financial Strategy, benefits realisation and governance arrangements. Grant Thornton will meet with various key stakeholders to discuss these areas to inform the value for money opinion.

11. External Audit Progress Report

PW presented the external audit progress report and noted that Grant Thornton were currently on track to deliver the plan. PW noted the amber RAG rating meant that certain areas were not completed when Grant Thornton left Essex Police following their recent on site visit. PW said that there was good plan in place to ensure the work was completed. PW and MW noted that this was a first year audit and it was often the case that both the client and auditor had to learn new work arrangements.

12. Annual Governance Statement (AGS)

It was noted that there are two Annual Governance Statements, one for Police, Fire and Crime Commissioner Fire and Rescue Authority and another joint statement for the PFCC and the Chief Constable. The members reviewed the AGS and suggested that the AGS was very comprehensive and could be shortened in length. It was suggested that the policy statement in the AGS could be shortened and that specific reference should be made to Grant Thornton as the new external auditors. BH highlighted the significant governance issues and noted that public confidence has been steady/stable and could this be reflected in the AGS.

Action 8/19 – AG to update the AGS with the JAC comments

13. Anti-fraud and Bribery Policy

The members asked whether there was sufficient clarity on the whistleblowing procedures for senior staff. It was discussed and felt that the current Reporting Wrongdoing Policy which applies to all Essex Police employees was robust enough to deal with this issue. BH said that the Professional Standards Department was approximately 30 people strong and able to effectively deal with allegations of corruption within the Force.

Action 9/19 – AG to arrange for the PFCC to formally sign off the anti-fraud and bribery policy

14. Single Tender Action

The members noted the STA.

15. Emergency Service Sector Update

The sector update was noted by the committee

16. Any Other Business

None

17. Date of Next Meeting

21st June 2019