

MINUTES – PART A
JOINT AUDIT COMMITTEE

21 June 2019, 1000 to 1200, GF01, Kelvedon Park

Present:

Jonathan Swan (JS)	Chair
Julie Parker (JP)	Independent committee member
Simon Faraway (SF)	Independent committee member
Alan Hubbard (AH)	Independent committee member
Roger Hirst (RH)	Police, Fire and Crime Commissioner
Abbey Gough (AG)	Interim Section 151 Officer
Pippa Brent-Isherwood (PBI)	CEO, PFCC's office
Ben-Julian Harrington (BJH)	Chief Constable, Essex Police
Debbie Martin (DM)	Chief Finance Officer, Essex Police
Claire Heath (CH)	Head of Continuous Improvement, Essex Police
Dave Mannion-Marshall (DMM)	Head of Business Services
Dan Harris (DH)	Internal Auditor, RSM
Anna O'Keeffe (AOK)	Internal Auditor, RSM
Paul Grady (PG)	External Auditor, Grant Thornton
Parris Williams (PW)	External Auditor, Grant Thornton
Camilla Brandal	Minutes, PFCC's office

Apologies:

Mark Gilmartin (MG)	Director of Shared Services (Essex and Kent Police)
Dr Vicki Harrington (VH)	Director of Strategic Change

1 Introduction and welcome

JS welcomed everyone to the meeting and accepted apologies from MG and VH. Claire Heath was representing VH at today's meeting.

2 Declarations of Interest

There were no Declarations of Interest.

3 Minutes from the meeting on 22 March 2019 - Part A

- 3.1 Under item 13, Anti-fraud and Bribery Policy, the word 'about' to be removed on the first sentence so that it reads 'sufficient clarity on the whistleblowing procedures' and not 'sufficient clarity on the whistleblowing about procedures'.
- 3.2 Under item 13, Anti-fraud and Bribery Policy, the words 'allegations of' to be inserted before the word 'corruption' so that it reads 'allegations of corruption'.
- 3.3 Under item 7, Internal Audit, Page 2, reference to 'corporation sole' in the last sentence should read 'corporations sole'.

- 3.3 There were no further matters arising from the Minutes – Part A, and they were subsequently agreed.

4 Action Log

Action 1/19 – PFCC’s office Risk Register
Progress regarding the Handbook noted.

Action 2/19 – PFCC’s office Risk Register
Progress regarding the review of the Strategic risks noted.

Action 3/19 – Essex Police Risk Register
The Committee members did not agree to the proposed closure of this action as they would like to see evidence of the 5x5 matrix in place and working. CH confirmed that the 5x5 matrix will be brought to the meeting in December but that a progress report would be provided for the September meeting.

It was agreed that all other items on the Action log marked ‘propose close’ could be closed.

5 JAC Work Plan

- 5.1 JS, as Chair, would like Item 15 on the work plan that currently relates to ‘Discussion on legal and regulatory matters (as required)’ to refer to ‘legal, regulatory and policy matters (as required)’.
- 5.2 After a discussion, it was agreed that Item 15 would also include reports on inspections and regulatory compliance issues. It was agreed that the Force would prepare an Executive Summary which would outline the list of proposed inspections that are to be undertaken by external bodies.

Action: 10/19
The Force to supply an Executive Summary outlining the list of proposed inspections by external bodies.

- 5.3 JS, as Chair, asked that under Item 12 whether there should be reference to the self-assessment being followed by an Annual Review. After a brief discussion, it was agreed that reference to an Annual Review would be added after Item 12.

Action: 11/19
AG to update the work plan following comments from the members on policy and an Annual Review.

6 Creditors Audit: Purchase Order (Action 4/19)

See Part B Minutes

7 Creditors Payment Run

See Part B Minutes

8 Procurement Top 20 Contracts (Action 5/19)

See Part B Minutes

9 Risk Register

9.1 PFCC's Office Risk Register

See Part B Minutes

9.2 Essex Police Risk Management Report

See Part B Minutes

10 Internal Audit Progress Report

- 10.1 DH went through the Progress Report and confirmed that in terms of the 18/19 plan, there were 5 finals, 4 further drafts issued, 1 of which has just be finalised and 1 will be finalised imminently. All the 19/20 work has been scheduled with 2 drafts issued, 2 still in QA and the firearms review starts next week. DH confirmed that the Emergency Service Sector briefing will be produced next week and will be shared with the Committee members outside of the meeting.
- 10.2 AOK took the meeting through the Executive Summary and confirmed that an audit of the training records for Kent and Essex Police had been completed out the training compliance. 1 medium priority action around two documents (training needs analysis and Current Mandated Learning documents) which had no evidence that they have been reviewed or approved.
- 10.3 JS asked for confirmation that the audit was just for the training records, and not the training itself and AOK confirmed that it was just for the training records.
- 10.4 AOK presented the results of the second Follow Up audit that had been carried out from last year which had been split into two halves (the same format is going to be followed for this year). AOK confirmed that all 13 medium priority actions have been implemented. The Committee wanted to congratulate the force on the completion of all these priorities and processes in place.
- 10.5 AOK explained the outline to the IT Disaster Recover and Critical Systems audit where the 999 Call Handling System, Airwave, ICCS (Integrated Command and Control System), STORM and Mobile First were all audited. There were 2 medium priority actions; ICCS's single database replacement and the Mobile First system had not had a full data recovery test performed on it yet as it was still fairly new.
- 10.6 AOK went through the Information Asset Owners audit which looked at the management of assets and the responsibilities of the asset owners for the maintenance of the Information Asset Registers. There were 2 medium priority actions and 1 low one. The medium priority actions were that the Registers were maintained using Excel spreadsheets which means that there is room for error and corruption of the data. The Essex Register had not had a review at the time of the review. The audit had also found that there were personnel who had access to the Registers who did not need it.
- 10.7 JS asked about the use of the Excel spreadsheets and whether there was a need for additional software or training to reduce errors? CH confirmed that a new system is being implemented with specified access and an internal audit control to track changes etc. SF asked for clarification of IAAs and IACs which are Information Asset Assistants and Information Asset Co-ordinators.

- 10.8 AOK explained the Budget Build and Forecasting on Pay audit which looked as part of the controls in place over the key processes for establishment and pay forecasting as part of the budget setting process. There were 1 medium and 2 low priorities; the medium priority related to pay costing files where some differences over £500 on salaries had not been explained in full. A short discussion took place around the meaning of non established posts, established posts, support staff and officer strength.

11 Essex Police Internal Audit Tracker

- 11.1 DM took the meeting through the Tracker where there were 12 recommendations outstanding, 5 of which are outside the due date. DM confirmed that the items outside the due date are 2016/17 Contract Management Review, 2017/18 Athena Issues Management, 2017/18 Governance, Delivery & monitoring of the Police and Crime Plan, 2018/19 Communications and 2018/19 Training records.
- 11.2 DM explained what had been done with the Contract Management Review and confirmed that a piece of work had been undertaken with Procurement and Kent & Essex CFOs to analyse the contract value and spend. This analysis had been done manually and the information is not contained with ERP. The new 7F team which will be established in October 2019 will lead on this work for Procurement until the 7Force ERP is in place (2022).
- 11.3 JP asked why it had taken such a long time to address this high priority from 2017. DM confirmed that a different avenue had been taken on this as it was felt that the original suggested solution to the problem was not viable. JS suggested that the item for the Contract Management Review be signed off as the manual process had been implemented and that it be reviewed separately in the future. AOK agreed that this item would be taken off this list.
- 11.4 AH had a few items relating to the suggestions under GDPR governance, firstly where no revised completion date could be given by the Head of Performance and Scrutiny to the Accessible guidance to staff and the review of the GDPR Processes and Procedures. PBI explained that this was being looked at as an issue had arisen around the 2 legal entities (for example, how to deal with information held by the PFCC's office that related to the Fire Service). PBI confirmed that external support would be commissioned to help with this issue. The Information Commissioner's Office has also requested information from PCC's/ PFCC's offices and it is anticipated that these specific GDPR issues will be addressed in Q3 pending confirmation of the advice and would then be closed off.

12 Internal Audit Annual Report

- 12.1 DH presented the Internal Audit Annual Report for year end 31 March 2019. DH explained that the plan was designed to provide an opinion on the risk management governance and control frameworks. DH is of the opinion that enough work has been carried out to satisfy this requirement and that the progress reports throughout the year have kept the Committee up to date. Page 7 contains information on 4 different opinions (2 positive, 2 negative) and a further benchmarking paper will be provided later in the year to show where Essex sits against wider data.
- 12.2 DH is of the opinion that there has been an improving level of positive assurance opinions compared with the last 2 or 3 years and that there are no areas of significant control weaknesses.

- 12.3 The PFCC and Essex Police were both awarded positive opinions noting that there are adequate and effective frameworks in place for risk management, governance and internal controls.
- 12.4 JS, as Chair, commented that this report is valued highly by the Committee and the positive outcome is to be commended.

13 External Audit Progress Report

- 13.1 PG took the meeting through the Joint Audit Progress Report and Sector Update and confirmed that the final accounts audit is currently being undertaken on the Chief Constables', PFCC's and the group accounts. The interim work from earlier in the year has largely been completed. PG confirmed that it was too soon for any findings to have been identified but that they were focussing on the risks associated with the audit plan around property, plant and equipment and the pension liability as they are some of the biggest figures in the accounts.
- 13.2 PG confirmed that the report also sets out some of the sector specific elements for information. PW went through the work that had been carried out to date and noted that although there was a capacity issue in the Finance team this was not causing an impact on the audit.
- 13.3 PW wanted to make the Committee aware of an ongoing court case (McCloud) which will be relevant to all Police Forces, Fire Services and Local Government Associations concerning pensions. A discussion took place around this court case and the change to pension benefits relating to final salary and age discrimination. PG confirmed that the current pension liability shown on the balance sheet is correct pending the outcome of the court case.

14 Draft unaudited Statement of Accounts 2018/19 (and PFCC and Group Accounts and Chief Constable's Accounts)

- 14.1 DM took the meeting through the draft Statement of Accounts that were released for publication at the end of May and commented that there had been some slight changes in the Narrative Statement and the AGS.
- 14.2 JS commented that he was pleased to see that the PFCC's accounts now mentioned that the PFCC had responsibility for Fire, and on Page 46 of the PFCC's report, there was a reference to the Committee, the wording for which has not changed since 2015. JS asked therefore whether the document does get fully scrutinised each year and DM confirmed that it did, line by line.
- 14.3 AH asked about Page 31 on the capital budget and expenditure table where it makes reference to the capital investment programme figures being approved, but on looking at the approved budget, for example under IT, there is a significantly higher figure being approved. Did there need to be an explanation behind the higher figure as the variance was high? DM confirmed that when the budget was set and presented to the Police, Fire and Crime Panel there were projects that were approved as well as projects which were subject to approval by the PFCC. These projects were approved in year after the budget was set. It was agreed that some wording would be inserted at this point to explain where the subject to approval projects were approved which then resulted in a higher figure.
- 14.4 JP had an observation on the PFCC and CC accounts where reference is made to staffing numbers through the document and then on the table at the back of the CC's accounts, there is reference to the staffing headcount. JP commented that the different definitions are confusing. RH confirmed that the definitions are different and explained the definitions. JP also had an observation on Page 25, paragraph 14.9

with the main risks from the Chief Constable's Risk Register and whether the Force were comfortable with this being in the public domain. JP also asked about the item on Page 82 concerning the historic cases and it was agreed that BJH and DM would discuss this outside the meeting.

- 14.5 It was agreed that the draft unaudited accounts were approved with the final version being presented at the meeting on 26 July 2019.

15 Single Tender Actions

There were no Single Tender Actions to report on.

16 Any Other Business

There being no other business, the meeting closed at 12.12pm