

MINUTES – PART A
JOINT AUDIT COMMITTEE

20 September 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
Annette Chan (AC)	Chief Accountant, Essex Police
Claire Heath (CH)	Head of Continuous Improvement, Essex Police
Anna O'Keeffe (AOK)	Internal Auditor, RSM
Zoe Hibbert (ZH)	Assistant Manager, 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
Dan Harris (DH)	Internal Auditor, RSM

1 Introduction and welcome

JS welcomed everyone to the meeting and accepted apologies from MG, VH and DH.

2 Declarations of Interest

There were no Declarations of Interest.

3 Minutes from the meeting on 26 July 2019

- 3.1 The Committee asked that acronyms be spelt out in full initially and then abbreviated for following points.
- 3.2 AH asked that the second line on 5.9 read 'good progress made in the collaborations between Kent Police...'. On line 5 of 5.9, LBC to be spelt out in full.
- 3.3 SF commented that 5.1 should read 'PG presented' not 'PG present'.

- 3.4 BJH asked that 5.8 line 4 reads 'control' and not 'cotnrol'.
- 3.5 AH asked that the end of the sentence on 5.13 reads 'update on the progress of the recommendations' rather than 'update on the recommendations on the progress of recommendations'.
- 3.6 Matters arising from the last meeting:
- 3.6.1 JS asked whether the pension liability amount showing on the balance sheet needed altering and PG confirmed that there would be no need to amend the accounts as the issue has been resolved.
- 3.6.2 JS asked about the benefits from the Local Business Case and AG confirmed that this was tabled as part of the ECFRS Audit meeting agendas this afternoon.
- 3.6.3 JS asked about the annual audit letter and PG confirmed that as soon as the audit findings report has been finalised, the annual audit letter will be updated to reflect the changes and then published.
- 3.6.4 The Committee felt that although the agendas were functional, they did not provide an opportunity for external interests to be discussed. After a brief discussion, the committee suggested that future items for inclusion on agendas could be Cyber Crime, Estates Strategy, Athena, 7 Force Collaboration and spread over a year. It was agreed that there would be an additional item per meeting. BJH suggested that the first paper could be Athena followed by Estates Strategy, however such reports which would require additional capacity for Essex Police. The committee agreed that the topics of additional papers could be decided by the Chief Constable based on resources and that suggestions for future topics should be put forward to the Committee.

Action: 18/19

AG to update Forward Plan with Deep Dive papers (Athena in December 2019, Estates Strategy in March 2020).

4 Action Log

- 4.1 Action 1/19 and 2/19 – PFCC's office Risk Register
PBI confirmed that Action 2/19 will be dealt with later at this meeting. Action 1/19 - PBI confirmed that she had reviewed the Risk Handbook but in her opinion, does not include the details requested by the committee. After a brief discussion, it was agreed that PBI would update the Risk Register and then address the risk appetite narrative, with the aim being that the Risk Register and Risk Handbook will be addressed together when being reviewed in future.
- 4.2 The following Actions were agreed as closed:

03/19, 04/19, 05/19, 06/19, 07/19, 08/19, 09/19, 10/19, 11/19, 12/19, 15/19 and 17/19.

5 JAC Work Plan

There were no amendments to the Work Plan.

6 Risk Register

- 6.1 PFCC's Office Risk Register – See *Part B minutes*

- 6.3 Essex Police Risk Management Report – See *Part B minutes*

7 Internal Audit Progress Report

- 7.1 AOK confirmed that there were 3 final reports from 18/19, with 1 joint report from 18/19 which is still in draft and deals with collaboration recharges and which is with Kent to finalise. 5 final reports from 19/20 have been issued along with 5 draft reports for information. Since the paper was written, the draft report on Debt Recovery has also been produced which will come to the next meeting.

- 7.2 AOK went through the Progress Report which included changes to the communications audit (proposed to be tabled for 20/21 due to the new Communications Strategy being implemented in December/January next year), Capital Accounting and Fixed Assets had been postponed due to sickness, the GDPR audit for the PFCC's office will be undertaken in Quarter 4. AOK confirmed that she and Dan Harris had met with AG and PBI to review the current audit plan to see if it was still relevant. There were a couple of changes; the balance sheet review is no longer required due to work that has been undertaken and the 7Force collaboration review has been moved to next year. There were additional audits planned; IT deliverability in 19/20 with the RSM Technology Risk Assurance Partner speaking to Jules Donald to scope the remaining IT audits. DM has requested that a review be undertaken on Business Services and this will be included in the plan.

- 7.3 JS was concerned about staff sickness and absence holding up the audits in light of the fact that the audits deal with process and procedures and should not be dependent on whether staff are present or not. However, in one particular case, the completion of the audit was dependent on a member of staff being present and able to answer questions that only he would know and unfortunately, he is on long term sickness. DM confirmed that this is being addressed and a contingency plan is in place.

- 7.4 AH asked AOK about the progress of the internal audit plan and whether she thought it was slipping. AOK confirmed that it is more to do with timing issues and comments not being received on the draft reports which means that they have not been signed off.

- 7.5 SF asked about the management responses received within 15 days and only 20% of responses received. DM confirmed that the timescales given for responses are 10 working days but this becomes harder with joint audits and second drafts being responded to or signed off etc.

- 7.6 Governance audit - there was 1 medium priority action which was to make sure that all the Terms of Reference are in a similar format and contain the information they should. JP asked why there was no mention of oversight of the Audit Committee in the audit report and AOK confirmed that it had been agreed beforehand to stop at Chief Officer Group level.

- 7.7 Athena Management recharges - this was a specific request from the Athena Management Board and the audit produced 1 medium priority action which was that

the original agreement had not been updated to reflect West Mercia and Warwickshire joining the recharges programme. After a brief discussion, it was confirmed that BJH would pick up locating the agreement.

Action: 20/19

BJH to locate the Athena agreement with the inclusion of West Mercia and Warwickshire additions to the contract.

- 7.8 Estates Strategy - the audit produced a result of reasonable with 2 medium priority actions around improvements to the Strategy (no assessment of the risks to the delivery objectives and no indication of measures on delivery). JS commented that in this report it mentions that the audit reviewed the Risk Register but did not make reference to which Risk Register it referred to. AOK thought that this was Estates Programme Risk Register but she would check on this.
- 7.9 Workforce Planning - ZH confirmed that following a substantial assurance opinion from last year, the overall controls were reported as adequate. AH asked about how the Force would cope with the extra 20,000 police officers being allocated and BJH confirmed that the Force had already put plans in place to absorb and train these extra officers. JP asked about the retention levels of officers and BJH confirmed that as he signed off every retirement and checked each resignation with a thought towards retention, levels remained roughly the same with the loss of about 20 officers a month through retirement or transfers.
- 7.10 Partnership Hubs - ZH confirmed that there was a reasonable assurance outcome report with 2 medium priority actions, 2 low priority actions and 4 advisory actions (mainly due to the partnership element of the work and the Force not having overall control of the Hubs). The medium priority actions dealt with funding priorities not necessarily routinely being reviewed, and no formal record of effectiveness in formal Steering Group minutes. JS asked for the definition of a Community Safety Hub and it was confirmed that this was a non-public facing Hub (which could be situated in an office on its own, police station or in Council offices) that allowed different agency partnership services to deal with issues from one location. For example, police, housing, licensing, mental health, can be located in one place. JP asked about whether there is a challenge with getting health involved and BJH agreed that mental health and social care still need encouragement. AH asked about the long implementation date for the long and medium recommendations. AG and PBI confirmed that these actions will be dealt with through the Safer Essex Board and partners. It is expected that these actions will be dealt with by March 2020.
- 7.11 GDPR follow up - ZH confirmed that there was no opinion due to the report being a follow up but there was 1 medium priority action and 1 low priority actions. The medium priority action concerned the mapping template that had been used had been superseded. JS asked why it had taken so long to implement the template as the legislation had been in place since May 2018. BJH confirmed that the legislation is being adhered to as the team are dealing daily with asset owners, Freedom of Information requests, Data Protection Act requests and work is ongoing on the bigger picture of implementing the legislation. CH confirmed that the Information Commissioner's Office will be carrying out a voluntary audit which links into this work. After a brief discussion, it was agreed that BJH would take the updating of the template back to the Force.

Action: 21/19

BJH to review the arrangements for the GDPR mapping template to be updated and update the Committee on the implementation

- 7.12 Estates Maintenance - ZH confirmed that there was a reasonable assurance report with 3 medium priority actions and 3 low priority actions. The 3 medium priority actions concerned no formal approval of the property maintenance plans and the last full stock condition survey being undertaken in 2014, and a lack of approval evidence on jobs over £5k. JS asked about the sign off date of 31 January 2020 as it should be simple to sign off this and BJH would look into whether this was the right date.
- 7.13 Stansted Airport - ZH confirmed that the audit done on financial arrangements resulted in a substantial assurance opinion and 2 low priority actions.

8 Internal Audit Benchmarking Report

AOK confirmed that the PFCC's office and Force are sitting favourably above the average for reasonable and substantial opinions, and are significantly below the average on partial and no assurance opinions. AH asked whether the Emergency Services included the Ambulance Service and AOK confirmed that it was mainly Police and Fire but some Ambulance items were in there as well.

9 Essex Police Internal Audit Tracker

AH raised a previous point that he had asked for which did not appear on the internal Audit Tracker report which was the answers to who was dealing with it, what they were doing and when it would be completed. DM would remind the report writers to put this into the report for future.

10 External Audit Progress Report

- 10.1 PG confirmed that the unqualified opinion had been issued and the accounts had been amended to reflect the pension issue, but that this had meant that the figures were now over the National Audit Office threshold and would result in more work being carried out on the Whole Government Accounts return. It was confirmed that there was capacity in the Finance Team to complete this work by the end of September/ early October.
- 10.2 PG confirmed that Grant Thornton are ready to release the audit letter in order for it to be published which means that the 18/19 work has been completed. Planning for the 19/20 audit is being undertaken with milestones, debriefs and accounts workshops being planned for finance teams. A new standard (IFRS 16 – Leases) will be included for accounts in 20/21 where leases were all classed as finance leases whereas previously the leases were classified as finance lease and operating leases.

11 External Inspection Quarterly Report

CH went through the action from the last meeting which was to provide more information around the external inspections for the Force. 2 inspections are due to be undertaken in October/ November; a voluntary Information Commissioner's Office audit and an HMICFRS thematic inspection (fifth counter-terrorism inspection). CH asked whether the Committee are happy with the format of these quarterly reports and it was agreed that it was.

12 Single Tender Actions

There were no Single Tender Actions.

13 Any Other Business

There was no other business and the meeting closed at 12.30pm.