

MINUTES – PART A
JOINT AUDIT COMMITTEE

26 June 2020, 1000 to 1230, via Microsoft Teams

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
Pippa Brent-Isherwood (PBI)	CEO, PFCC's office
Elizabeth Helm (EH)	Interim Head of Finance and S151 Officer, 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
Tom Simons (TS)	Ch Supt Strategic Change (standing in for VH)
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.

2 Declarations of Interest

JP declared that as from 1 April 2020 she has been a non-executive Director at Mid and South Essex NHS Foundation Trust. Her role as a non-executive Director at East Suffolk and North Essex NHS Foundation Trust has ended.

3 Minutes of the last meeting and matters arising

- 3.1 There were two amendments to the March 2020 Part A minutes, namely; SF commented that on Page 5, point 9.1 'though' should read 'through', and on Page 6, point 12.1, PBI commented that it should read 'Force Management Statement' not 'Station'. There were no matters arising from the March 2020 Part A minutes.

- 3.2 There were no amendments to the March 2020 Part B minutes and no matters arising.
- 3.3 The Part A and Part B minutes, subject to the above amendments, were approved.
- 3.4 Covid19 update
- 3.4.1 The Committee asked that RH and BJH each give a brief update on the Covid19 situation at the beginning of the meeting so as to be able to focus attention on the large Agenda without becoming side-tracked.
- 3.4.2 RH wanted to commend the Chief Constable and Deputy Chief Fire Officer on the way they have co-ordinated the county-wide response through their revolving chairmanship of the Essex Resilience Forum. RH commented on the partnership work that was already in place becoming stronger during the pandemic, and wanted to commend the Force, ECFRS and EEAST for their response. RH also commented on the future concerns that will have to be dealt with around the outcomes of domestic abuse and dealing with vulnerable children. RH commented on the Criminal Justice system and the way that the Force are currently acting as a holding bay for a lot of criminal cases with figures for Released Under Investigation ('RUI') and Bail being high.
- 3.4.3 BJH commented on the initial international pandemic emergency which had now moved from what was a health emergency into a health pandemic which informs everything the Force does. Questions are being asked, such as how do you recover economically, how do you police in a Covid19 world, and how to move forward with the threat being still there even though the initial emergency is over. At present the Force are working on what is urgent and immediate and what needs proper debate and discussion. The core role and strategy of the Force is maintaining policing as normal with a focus on keeping people safe (which also includes domestic abuse). The Force are undertaking an exercise to inform their Recovery Strategy which discusses items to adapt, adopt, abandon and accelerate. BJH also confirm that the health services are being managed through the county's Health and Wellbeing Outbreak Boards and the PFCC's office and the Force have representatives at all the Outbreak Boards.

4 Action Log

- 19/19 PFCC's Office Risk Register
On the Agenda for today. Close.
- 01/20 Internal Audit Plan
AOK confirmed that the update had been inserted and the Plan reissued.
Close.
- 02/20 Internal Audit Progress Report and Highlight Report
Update on the IT Disaster Recovery regarding Mobile First data had been provided and the internal auditors were agreeable that the action could be closed. Close.

5 Joint Audit Committee Work Plan

- 5.1 PBI asked whether the Joint Audit Committee meeting scheduled for July (where it had been planned to look at the Accounts) was still needed now that the statutory deadlines for submission had been deferred to end September.

- 5.2 It was agreed that the July meeting would now be an informal meeting for the Independent Members (JS, SF, AH and JP) and PBI to discuss the self-assessment findings and the Committee's Terms of Reference. CB would change the meeting details and reissue the invitation.
- 5.3 BJH asked if the papers under item 18 of the Work Plan could make reference to 'Background Briefings' rather than Deep Dives as his staff have a clearer comprehension of what is entailed in a background briefing. It was agreed that this change to the Deep Dive Papers title would be made.

Action: 03/20

CB to change the Deep Dive references to Background Briefings on the Work Plan and also change the July meeting details and reissue the invitation.

6 Risk Register

6.1 PFCC Risk Register

Addressed under Part B

6.2 Essex Police Risk Register

Addressed under Part B

7 Internal Audit Report (RSM) and Highlight Report (EP)

- 7.1 DH confirmed the position with the Collaboration Recharges 18/19 report and the current status showing as being 'unfinalised' but this is mainly due to comments not being included in the report in a timely fashion. It was hoped that this report will be finalised shortly.
- 7.2 DH confirmed that there were nine final reports from the 19/20 Programme and one remaining report from 19/20 which had gone through the QA process. DH had asked for some additional testing to be carried out around staff leavers and the return of IT equipment before this draft can be issued.
- 7.3 DH wanted to thank the Force and the PFCC's office for their engagement in the audit process which has resulted in the finalization of the whole Programme of work. DH confirmed that BJH had asked that work be paused in Q1 of 20/21 and Section 5 of the Progress Report outlines the revised timeline that has been agreed for the remaining audits. Two changes have been made to the Programme with 2 cancellations and an additional review requested by Mr Gilmartin.
- 7.4 A discussion took place around the paused audits and whether there were resources in place to cover the resumed Programme. DH confirmed that RSM had had no leavers since March 2020 and the graduate recruitment is still progressing and that RSM are confident of delivering the Programme.
- 7.5 JP asked about Covid19 and a potential different risk appetite that might emerge and whether DH thought that this would have an impact on the Programme, and also how does Essex fit in with other Forces in terms of their thinking around audit plans. DH confirmed that a formal mid-year review is always tabled for September with the Force and the PFCC's office to confirm whether the Programme is still fit for purpose or whether any audits need to be moved around. DH also has monthly

calls with DM and EH around whether the Programme is still on track. DH confirmed that some Forces have continued with their 20/21 Programme and other Forces have paused during Q1. DH confirmed that through the risk assessments that are in place for each Force and with RSM, work can be carried out remotely or if needed in house, the compliance with PPE etc will be met. DH is of the opinion that all the risks that were present pre-Covid19 are still present and the Programme is targeted around a number of elements which still exist.

7.6 AH asked about the Key Performance Indicators on Page 14 of the report, and the length of time it has taken to get management responses on three final reports. AH asked how this compared with response times in other organisations and if they are unrealistic, perhaps the response times should be revisited? DH confirmed that the response times are in line with other Forces and where there are joint or collaborative reviews, they naturally take longer to finalise. DH is of the opinion that the Force has improved with the response times and that the target should be kept at 15 days. DM agreed that the target should be kept at 15 days and confirmed that when the drafts come into the Force, there is a 5 day turnaround and DM does challenge any unrealistic deadlines that might be suggested. JS asked whether other people knew about the deadlines and DM confirmed that the deadlines are attached to the emails that are sent out with the request for responses.

7.7 AOK presented the 9 audits that had been finalised as follows:

7.7.1 Vehicle Telematics

This was a joint audit with Kent and resulted in a reasonable assurance opinion with three medium priority actions mainly around monitoring and governance of the project. JS asked whether there was a deputy chair for the governance meetings in the light that in the absence of the chair, the meetings are not held. BJH confirmed that the chair has been advised that these meetings must take place.

7.7.2 Business Services (Finance) Review

This audit resulted in a reasonable assurance opinion with two medium and two low priority actions. The medium priority actions were focused around procedure notes being signed off and training, with the staff in the Business Centre being trained to be multi-skilled to increase resilience but the training records were not up to date.

7.7.3 Payroll

This audit resulted in a substantial assurance opinion with three low priority actions.

7.7.4 Creditor payments

This audit resulted in a reasonable assurance opinion with one medium priority action which involved duplicate payments as a result of duplicate supplier accounts. DM confirmed that work had been undertaken and completed just before the audit was finalised where duplicate supplier accounts were resolved by matching bank account details rather than supplier name. DH wanted to confirm that there had been progress on this audit as last year's had resulted in a partial assurance opinion.

7.7.5 Delivery of local business case

This audit was carried out as an advisory review as per the Internal Audit Plan and looked at the local business case around RH taking on the Fire Authority responsibilities. There were two high, one medium and three low priority actions from the audit. The high and medium priority actions related to evidence being available to show the savings that are being reported, the milestones that are being reached and the projects that are being completed. AH asked about the responsible owner for the actions as they are currently showing as 'PFCC

Collaboration lead'. PBI confirmed that during this audit the PFCC's office was undergoing a restructure, and the newly appointed Strategic Head of Partnerships and Delivery, Greg Myddelton, is now the Collaboration lead. After a discussion around non-cashable and cashable savings, it was confirmed that work is being carried out following the audit to evidence the savings and that the results would be reported back to the Committee.

7.7.6 Follow Up – Part 2

AOK confirmed that out of the seven actions that had been followed up, all had been implemented and good progress had been made. The remaining actions had been paused at the start of the pandemic but they would be picked up at the next Follow Up audit.

7.7.7 Athena – change control and testing regime

This audit resulted in a reasonable assurance opinion with two medium and one low priority action. The medium priority actions were mainly around risk levels of changes that had not been fully documented and also that the process for emergency changes had areas for improvement.

7.7.8 Capital Accounting and Fixed Assets

This audit resulted in a substantial assurance opinion with one medium priority action around evidence not being available for some orders being appropriately approved.

7.7.9 GDPR (PFCC's office)

This was an advisory report following on from the audit last year and had resulted in four low priority actions.

7.7.10 DH confirmed that there were two more reports on the Programme but these will be ready for the September meeting.

7.7.11 JP asked if it were possible, following on from the GDPR audit, whether an annual report on the data breaches could be produced for the Committee? After a brief discussion around the type of reporting that could be produced, it was agreed that the PFCC's office could produce the numbers of data breaches that had occurred over a year and the learning from it, and BJH confirmed that the Force could provide an annual oversight of the submissions made to the Information Commissioner's Office.

7.8 Highlight report (EP)

7.8.1 SF asked about the Firearms storage and destruction and whether the mid-June review day had happened, and if so, was there an update? DM confirmed that in relation to the two audits that she was waiting on information for, the Operations Board met yesterday and approved the policy.

7.8.2 AH had an observation around the report on some of the updates being slightly 'wordy', for example, under Page 4, under IT Disaster Recovery & Critical Systems, perhaps the three paragraphs could be condensed into 2 lines.

8 Annual Internal Audit Report 2019/20

8.1 DM went through the report and confirmed the scope and limitations of the work carried out in 2019/20, the factors and findings that informed the opinions, the performance of the audits, the range of opinions available, the summary of the internal audit work completed and opinion classifications.

- 8.2 JP asked DH about the audit opinions scale on Page 2 of the report and wanted to know where the PFCC's office and the Force's standing was, i.e. were they at the green top of the circle or at the yellow bottom of the circle. DH confirmed that he was of the opinion that the PFCC's office and the Force's standing were in the middle of the circles and closer to the green than the yellow. JP asked about whether the aspiration of being green was possible for next year, and DH confirmed that due to Covid19 and the areas of risk currently, it may be difficult to achieve a green status. A brief discussion took place around high risk appetite and where the organisations stood compared with others nationally. DH was of the opinion that the organisations were placed in the middle in comparison with other RSM clients and second level assurance.

9 External Audit Progress Report

- 9.1 PG went through the Progress Report and Audit Plan and confirmed that work is about to start on the final accounts audit within the revised timeframe. PG confirmed that the time taken to carry out the audit will be longer but they are confident that it can be completed within the timeframe and will meet all the regulatory requirements. The addendum to the Report sets out how the pandemic may have introduced risks into the audit (around asset valuations and pensions in particular) and the financial statements but does not substantially alter the timeframes.
- 9.2 JP noted PG's comments on the asset valuation and pensions risks and asked whether PG could give any assurance that PG's team and the Finance team would be able to deal with these two particular issues rather than leaving them to the last minute. PG confirmed that the asset valuation valuer has declared a material valuation uncertainty in his report due to the pandemic and this disclosure will be added to their (the valuer's) statement of accounts and PG will refer to it in 'our' statement of accounts. The pensions risk is being covered by the County's auditor and it is not expected to pose any problems.
- 9.2 JS asked about whether the audit deliverables on Page 5 of the Report reflect the new extension times for submission and PG confirmed that they did.
- 9.3 JS asked about the Grant Thornton resources during the pandemic and PG confirmed that there were no issues with resourcing but that the audit will take longer to do but will still be done within the timeframes.

10 Self Assessment exercise

- 10.1 After a brief discussion, it was agreed that the Committee members would like to have a separate meeting to discuss the outcomes and recommendations of the Self Assessment exercise, and it was agreed that the meeting scheduled for July 2020 (that had previously been tabled for the signing of the Accounts) could be used for this purpose and that it would involve the Committee members and PBI.
- 10.2 RH raised the issue of the Terms of Office and that the Chair's term is different from the other Members (JS's term is 20/21 and SF, AH and JP's are 21/22). It was confirmed that the appointments are limited to 2 terms. PBI confirmed that the Work Plan for September had an item for a review of the Terms of Reference which is included as part of the review of the Scheme of Governance. PBI asked if the Committee would like her to draft an updated Terms of Reference document in line

with the recommendations in the Self Assessment exercise outcomes, and it was agreed that this would be very useful.

Action: 04/20

It was agreed that the meeting set for July would be altered to be an informal meeting between the Committee members and PBI, and would discuss the Self Assessment exercise outcomes, Terms of Reference and Committee membership numbers for JAC and ECFRS, annual appraisals and meetings.

11 Statement of Accounts and Annual Governance Statement

- 11.1 After a discussion, it was agreed that the Statement of Accounts would be deferred to the September meeting.
- 11.2 JS commented that the Committee had noticed how similar the two reports were (i.e. the Statement of Accounts for the Police, Fire and Crime Commissioner for Essex Group and the Police, Fire and Crime Commissioner; and the Statement of Accounts for the Chief Constable for Essex Police), particularly in the introductory pieces where the narrative is exactly the same, and it was felt that the reports are very lengthy and queried whether it would not be better to have a single document for each Statement of Accounts that is markedly different, and then the financials for each following on. RH confirmed that constraints are in place to produce two separate reports and it would be strange if they were not the same. One of the efforts that had been made over the years is that these formal documents form the basis of the more public facing documents which are more digestible for the public. AC confirmed that the issue with the length of the narratives will be addressed next year along with a possible change to the presentation format so that the detail does not detract from the key messages.
- 11.3 AH commented that thought should be given to the target audience and maybe adding in some glossy items to the narrative. AH commented that he could not see any mention of cybercrime in the Chief Constable's narrative and was of the opinion that possibly this should be considered. BJH confirmed that he would pass this feedback on. BJH mentioned that perhaps it would be worth canvassing to ask what people would like to see in the Statement of Accounts in future. One of the tasks that had been set for this year's Statement of Accounts was the inclusion of the pie charts and graphics showing police staff and support services.
- 11.4 JP commented that on the PFCC's Annual Governance Statement, Page 57, paragraphs 5.1 and 5.2, the reference to the s151 officer is written in such a way to be able to identify them, and perhaps this could be made more gender neutral. PBI would look at this point.

Action: 05/20

PBI to look at Page 57, paragraphs 5.1 and 5.2 of the PFCC's Annual Governance Statement and make the references to the s151 Officer gender neutral.

- 11.5 It was agreed that the Statement of Accounts would be brought to the September meeting as unaudited Accounts for review, and to be signed off subsequently. DM confirmed that the draft Accounts will be available for the meeting on 25 September which will allow time to make any changes before publishing on 30 September.

12 Single Tender Actions

- 12.1 There were no Single Tender Actions presented at this meeting.
- 12.2 RH commented that there will be future Single Tender Actions that deal with the pandemic and the purchase of Personal Protection Equipment and the procurement processes that had to be undertaken.
- 12.3 JS asked about whether ECFRS were able to use the 7F Procurement services for any of the PPE procurement, and BJH confirmed that the PPE issue was dealt with by the Strategic Tasking Group under the Local Resilience Forum for the county.

13 Violence and Vulnerability Report

The Report was not discussed at this meeting due to time constraints but if the Committee had any questions subsequently, it was agreed that they would raise them with RH.

14 Any Other Business

- 14.1 PBI confirmed that the new Strategic Head of Performance and Resources had been recruited and would have contact with the Committee members as part of her induction process.
- 14.2 There was no other business and the meeting closed at 12.30pm.