

## PFCC Decision Report

**Report reference number:** 079-21

**Classification** Not protectively marked/restricted

**Title of report:** Appointments to the Joint Audit Committee

**Area of county / stakeholders affected:** Countywide

**Report by:** Julia Berry (Head of Finance)

**Date of report:** 12 May 2021

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### 1. Purpose of the report

To seek the PFCC's approval to appoint two new members to the post of Independent Audit Committee Member for the Joint Audit Committee, following an open and transparent recruitment process.

### 2. Recommendations

That the PFCC appoints Kashyap Pandya and Christopher Taylor to the post of Independent Audit Committee (IAC) Member for the Joint Audit Committee.

### 3. Benefits of the proposal

The appointment of two new Independent Audit Committee Members will bring membership of the Joint Audit Committee up to the Chair and four Independent Audit Committee members as set out in Decision Report 123-20 approved in December 2020.

The Joint Audit Committee was established to provide independent assurance to the PFCC and the Chief Constable in accordance with the Financial Management Code of Practice. The role of the Audit Committee is to advise the PFCC and the Chief Constable according to good governance principles and to adopt appropriate risk management arrangements in accordance with proper practices and the associated control environment and to oversee the financial reporting process.

The Committee operates in line with the principles of good governance as laid down by

the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Revised Financial Management Code of Practice For the Police Forces of England and Wales and Fire and Rescue Authorities created under section 4A of the Fire and Rescue Services Act 2004.

Effective and strong membership of the Joint Audit Committee will support the Committee to fulfil its purpose and strengthen the support and advice provided to the Chief Constable and the Police, Fire and Crime Commissioner.

#### **4. Background and proposal**

Following the retirement of an IAC Member in Summer 2020, it was necessary to fill this vacancy and, following the Annual Review of Effectiveness undertaken in 2020, the decision was taken to recruit two Independent Audit Committee Members. This decision was taken in order to ensure consistency of membership requirements across the Joint Audit Committee and the Fire and Rescue Audit Committee and also to ensure a broad skills set across the membership. Increasing the total independent membership to an odd number was also considered to be beneficial in terms of mitigating against a tied result in the event of a vote of the membership being required.

RSM had previously provided support to Essex Police and the PFCC with IAC member recruitment in 2016 and so a decision was made to utilise the skills and previous experience of RSM to carry out the recruitment for the two new members. Recruitment was undertaken through an open and transparent process with consideration given to how to attract a broad range of suitably experienced applicants.

Advertising for the position of the IAC Members commenced in December 2020. Candidates were initially required to submit a one-page CV and a brief explanation of why they believed they were suitable for the role. RSM then undertook initial sifting conversations with candidates, which were scored independently by two people for moderation purposes. Five candidates who RSM considered to offer the greatest potential match to the role were shortlisted and interviewed in late January 2021 by a panel consisting of Roger Hirst (PFCC), Jonathan Swan (Joint Audit Committee Chair), Jo Turton (Chief Fire Officer / Chief Executive) and BJ Harrington (Chief Constable). RSM provided an agreed set of interview questions and a related scoring matrix based on the role profile and the person specification to support the interview process. They also attended the interviews as an observer to assist with the moderation process.

Following the shortlisting and interview process Kashyap Pandya and Christopher Taylor were selected as preferred candidates. NPPV 2 vetting clearance from Essex Police for both candidates was granted on 26 April 2021 valid for 3 years.

This report seeks the PFCC's approval for the appointment of IACs to the Joint Audit Committee. As the Joint Audit Committee provides independent assurance to the Police, Fire and Crime Commissioner (PFCC) and the Chief Constable it is necessary for the Chief Constable to make their own arrangements to approve the appointments.

A separate decision will also be taken by the Police, Fire and Crime Commissioner Fire and Rescue Authority for the appointment of the IAC members to the Fire and Rescue Audit Committee.

## **5. Alternative options considered and rejected**

The Commissioner could choose to appoint any of the other candidates who applied however the two candidates proposed in this decision report achieved the best overall results in the open and transparent appointment process undertaken so were deemed to be the best candidates to appoint.

## **6. Police and Crime Plan**

Having adequate and sufficiently skilled IAC Members will help deliver the strategic priorities of the PFCC as set out in the Police and Crime Plan. In particular it will support good governance, sound financial management and a strong risk framework.

## **7. Police operational implications**

This decision does not have direct police operational implications.

## **8. Financial implications**

The average budgeted expense per IAC Member is £3,000 per annum. The current budget for 2021-2022 is £12,000, which is £3,000 short. There is an expectation that not all the Joint Audit Committee meetings will be held in person during 2021-2022 thus reducing expenses claimed in 2021-2022 and absorbing the cost of the additional IAC Member. Further work is ongoing to align the PFCC's budget better with known requirements from 2022-2023 onwards.

## **9. Legal implications**

The Revised Financial Management Code of Practice For the Police Forces of England and Wales and Fire and Rescue Authorities created under section 4A of the Fire and Rescue Services Act 2004 is issued under section 17 of the Police Reform and Social Responsibility Act 2011 and requires the PFCC and Chief Constable to establish an independent Audit Committee of between three and five members who must all be independent of the PFCC and Chief Constable.

## **10. Staffing implications**

There are no staffing implications of this report.

Independent Audit Committee Members are recruited for an initial term of four years. They may then be re-appointed for a second term of up to a maximum of a further four years, subject to the agreement of the PFCC, Chief Constable and Chief Fire Officer.

Independent Members are expected to attend all meetings of the Committee. Regular non-attendance by Committee Members will lead to their removal from the Committee, in agreement with their Chair.

All Independent Audit Committee Members are subject to an annual appraisal by the Independent Chair and are expected to attend all training provided to develop their skills.

In accordance with the Code of Conduct, each Independent Member of the Committee is required to record any conflicts of interest in the register of pecuniary and non-pecuniary interests, and to disclose such interests during meetings of the Committee as required.

**11. Equality and Diversity implications**

The recruitment process adhered to our Equality, Diversity and Inclusion Policy, made specific reference to it in the advert and was publicised to attract a broad range of suitable potential candidates.

**12. Risks**

Not having a full quorum of IAC members may jeopardise scrutiny of Essex Police and the PFCC.

**13. Governance Boards**

The current terms of reference for the Joint Audit Committee, including the membership requirements, were agreed by the Joint Audit Committee at its meeting in September 2020. The approach to recruitment was discussed at the PFCC's Senior Management Team (SMT) meeting on 12 October 2020.

**14. Background papers**

- Overview of the Scheme of Governance and Review of the Joint Audit Committee's Terms of Reference – Report to the Joint Audit Committee (25 September 2020)
- Decision Report 123-20

**Report Approval**

The report will be signed off by the PFCC's Chief Executive and Chief Finance Officer prior to review and sign off by the PFCC / DPFCC.

Chief Executive / M.O.

Sign:



Print: P. Brent-Isherwood

Date: 23 June 2021

Chief Finance Officer / Treasurer

Sign: .....

Print: Julia Berry.....

Date: 24 June 2021.....

**Publication**

Is the report for publication?

YES

NO

If 'NO', please give reasons for non-publication (Where relevant, cite the security classification of the document(s). State 'None' if applicable)

.....  
.....None.....

If the report is not for publication, the Chief Executive will decide if and how the public can be informed of the decision.

**Redaction**

If the report is for publication, is redaction required:

1. Of Decision Sheet? YES   
NO

2. Of Appendix? YES   
NO

If 'YES', please provide details of required redaction:

.....  
.....N/A.....

Date redaction carried out: .....

**Treasurer / Chief Executive Sign Off – for Redactions only**

If redaction is required, the Treasurer or Chief Executive is to sign off that redaction has been completed.

Sign: .....

Print: .....

Chief Executive/Treasurer

Date signed: .....

**Decision and Final Sign Off**

I agree the recommendations to this report:

**Sign:** 

**Print:** ROGER HIRST

**PFCC**

**Date signed:** 28 June 2021

I do not agree the recommendations to this report because:

.....  
.....  
.....

**Sign:**

**Print:**

**PFCC/Deputy PFCC**

**Date signed:**