

DRAFT MINUTES – PART A
JOINT AUDIT COMMITTEE

24 September 2021, 9.00am to 13.30am, via Microsoft Teams

Attendees:

Jonathan Swan	Chair
Julie Parker	Audit Committee Member
Simon Faraway	Audit Committee Member
Kashyap Pandya	Audit Committee Member
Jane Gardner	Deputy Police, Fire and Crime Commissioner
Pippa Brent-Isherwood	Chief Executive & Monitoring Officer, PFCC's office
Janet Perry	Strategic Head of Performance and Resources, PFCC's office
Julia Berry	Head of Finance, PFCC's office
Ben-Julian Harrington	Chief Constable, Essex Police
Matthew Tokley	Corporate Accounting Manager, Essex Police
Debbie Martin	Chief Finance Officer, Essex Police
Andrew Munn	Recruitment and Selection Manager, Essex Police
Morgan Cronin	Chief Superintendent, Strategic Change, Essex Police
Dan Harris	Internal Auditor, RSM
Anna O'Keefe	Internal Auditor, RSM
Paul Grady	Grant Thornton
Parris Williams	Grant Thornton
Anushka Muthiah	Grant Thornton
Carla Bailey	Scrutiny Officer, PFCC's office (minute taker)

Apologies:

Dr Vicki Harrington	Director of Strategic Change and Performance, Essex Police
Roger Hirst	Police, Fire and Crime Commissioner
Claire Heath	Head of Continuous Improvement, Essex Police

1 Introduction and Apologies

- 1.1 JS welcomed everyone to the meeting and introductions took place.
- 1.2 Apologies were provided for Dr Vicki Harrington, Roger Hirst and Claire Heath.
- 1.3 JS requested that the representatives from RSM join the meeting after the 'Any Other Business' item was discussed, which would be moved to the beginning of the agenda.

2 Declarations of Interest

- 2.1 JP declared that the company she worked for does work for the Local Government Association which owns the PSAA and therefore would not comment on Item 13.

3 Any Other Business

Dealt with under Part B

4 Minutes of the last meeting and matters arising

4.1 20210625 – Part A Minutes

4.1.1 The Part A Minutes were approved.

4.2 20210625 – Part B Minutes

4.2.1 The Part B Minutes were approved.

5 Action Log

03/21 Recruitment of Independent Committee Member

The candidate had been contacted and was still interested. Now awaiting the vetting process to be completed. Remains open.

04/21 Estates Visit

Original visit planned and then was cancelled due to Covid-19 restrictions, new date to be arranged. Remains open.

05/21 Any Other Business

The recruitment of internal auditors process is still ongoing. Remains open.

06/21 Meeting Dates

September 2021 meeting start time changed to 09:00. Close.

5.1 JP commented that the minutes from the meeting that took place on 23 July 2021 had not been circulated. JB confirmed that she would arrange for this to be done.

ACTION: 07/21

The minutes from the meeting of the Independent Committee Members on 23 July 2021 to be circulated.

6 Review of Joint Audit Committee Work Plan

6.1 KP requested that an annual report from the Chair of the Committee needed to be added to the Work Plan. This was agreed.

ACTION: 09/21

Annual Chair report to be added to the Work Plan for 2022 under item 12 on the existing plan.

- 6.2 A discussion took place on the March 2022 Background Briefing and it was agreed that 'Communications' would be the topic.

ACTION: 10/21

Background Briefing on Communications to be added to the March 2022 meeting.

7 Review of Internal Audit Progress Reports

- 7.1 DM summarised the report provided and added that she had been in discussions with RSM regarding MetaCompliance. It was currently being worked on and due to be submitted soon.
- 7.2 JS remarked that this was good progress and asked thanks to be passed on to the team involved.

8 RSM Internal Audit Progress Report

- 8.1 DH provided an overview of the report. Key messages were as follows:
- The three remaining final reports were provided on the agenda for this meeting, which completed the programme.
 - The IR35 will contribute to the 2021/22 audit opinion, with a report to follow soon.
 - AN final report would be issued for 2021 for completeness.
 - The joint IT review with Kent Police will come to the March 2022 meeting.
- 8.2 In response to a question raised regarding of the number of reports coming to the March 2022 meeting, DH confirmed that they had enough resources to achieve this. DM added that they would ensure that the audits were spread so as to not cause too much of an impact on the teams involved.
- 8.3 AOK outlined the three reports as follows:

IT Service Management Review

This was a reasonable assurance with three medium and two low priority management actions. These mainly related to release management, policies, customer experience, capacity management and third-party suppliers.

Leavers and Movers

A dip test took place to ascertain the current situation. A partial assurance opinion was given. Management had decided to accept the risks in these areas and therefore RSM did not agree further actions. Issues around the completion of checklists and them not being returned.

Members expressed their concern that this issue was still outstanding and discussed the idea of finding out what other Police Force's do. BJH confirmed that he would ensure this issue is resolved by the December meeting.

Fraud and Bribery Risk Assessment

The Force had robust processes in place in order to mitigate potential fraud and bribery risk and had obtained various external assurances that controls and processes are mitigating highlighted risks. Agreed actions in relation to anti-fraud and bribery training and pre-employment checks to further mitigate the risk of fraud.

9 Grant Thornton Joint Audit Findings Report

- 9.1 PG summarised the report provided and added that they were a good set of accounts with no adjustments required, which was an excellent position to be in.
- 9.2 In response to a question raised PG, confirmed that the only outstanding matter was in relation to Grant Thornton waiting for information from the Essex Pension Fund, which they were expecting in late October 2021.
- 9.3 It was highlighted that, on page 24 of the report, the Independent Members did not share the view as a committee as they believed the seized cash should be in a ringfenced account.
- 9.4 PG confirmed that a new, larger report would be submitted which is one reason why the Grant Thornton fees had increased. He added that the engagement had been excellent and JS gave thanks to everyone involved.

10 Final Draft of the Statement of Accounts and Recommendation for Sign-off (including Annual Governance Statement – CC and PFCC & Group)

- 10.1 DM commented that an article will go on the intranet once the accounts have been signed.
- 10.2 The Joint Audit Committee recommended the 2020-21 accounts to the Police, Fire and Crime Commissioner and Chief Constable for sign-off subject to Grant Thornton providing assurance.

11 Oversight of the Scheme of Governance

- 11.1 PBI introduced the report and reminded members that this gave an overview of the functions that the PFCC could carry out and delegate to the DPFCC.
- 11.2 In response to a question raised, PBI confirmed that there is a Whistleblowing Policy and added that it would be referenced in next year's version.
- 11.3 BJH commented that it needed to be clear that operational decisions were exempt and it was agreed that PBI would check and ensure this was covered in the next version.

ACTION: 11/21

PBI to ensure the next version of the Scheme of Governance contains clarity regarding decisions not being in relation to operational police matters.

12 Annual Review of Effectiveness and Review of the Audit Committee Terms of Reference

- 12.1 JPe presented the papers and remarked that the main focus seemed to be around attendees of audit committees not receiving enough training around audit in general to assist them whilst at the meeting.
- 12.2 A discussion ensued in respect of the membership and functions of the two audit committees and auditor panels. PBI clarified that there needed to be the two committees and two auditor panels however a revised version of the Terms of Reference would be submitted at the December meeting.
- 12.3 JPe highlighted that there was a change in respect of the sound recording of the meetings, and that the recordings would not be deleted until the minutes have been agreed.
- 12.4 KP requested that an addition be made in respect of a private meeting taking place between the independent members and the auditors, without the presence of management.
- 12.5 JP raised that there should be reference to meetings taking place both in person and virtually.

ACTION: 12/21

Revised version of the Terms of Reference to be provided which includes clarity on the requirement for two auditor panels and two committees, even though the membership is the same.

Additional reference to be made to independent members meeting with the auditors without management present.

Mention required in respect of virtual and physical meetings both being acceptable.

13 Review of Financial Regulations

- 13.1 JB introduced the report and highlighted the changes that had been made.
- 13.2 In response to a question raised regarding operational budgets held by the Deputy Chief Constable, DM confirmed that the information regarding exemptions would be forwarded to JB.
- 13.3 JS confirmed that members commended this review to the PFCC.

14 External Auditors Procurement 2023-24 (Opt-in to PSAA)

- 14.1 JS confirmed that Grant Thornton were able to remain present at the meeting but could not comment.
- 14.2 KP commented that he had a slight conflict of interest regarding this item and would therefore join JP in not commenting.

14.3 JB summarised the report. JS and SF confirmed that they saw no value in opting into the PSAA and therefore their recommendation echoed that view.

15 Update on Fraud and Debtors Write-Offs (if required)

15.1 There were none.

16 Single Tender Actions

16.1 JS remarked that it was expected that MG would be present at the meeting to report on this item however he had not attended.

16.2 JB confirmed she would take any questions to MG and then circulate the answers to members after the meeting.

16.3 JS raised the question as to why the software licence was a Single Tender Action and whether it could have been routinely budgeted. JS further raised whether it would be a recurring item.

16.4 JS questioned whether the CCTV item was a proper exercise or a flawed procurement process.

ACTION: 13/21

JB to put the above questions to MG and provide a response to members.

17 Risk Register

PFCC Strategic Risk Register

Dealt with under Part B

Essex Police Strategic Risk Register

Dealt with under Part B

18 Legal, regulatory and policy matters (as required) including external inspections

18.1 There were none.

19 Background Briefing – Police Recruitment, Deployment & Retention

19.1 Members were provided with a PowerPoint presentation in advance of the meeting. BJH asked if there were any questions on the content.

19.2 In response to questions raised, AM confirmed that the largest cohort of recruited staff fell into the 18-24 age bracket. In terms of reasons for staff leaving, the majority related to relocation, retirement, personal reasons or career progression.

- 19.3 BJH confirmed that the data was reviewed regularly at the monthly Chief Officer Group meetings and they have found that the number of people declaring whether they had a disability was increasing.
- 19.4 In response to a further question raised, AM remarked that the majority of new recruits came from Essex and within the M25 border of North East London. It was noted that there was a pay difference of around £7,000 between Essex Police and the Metropolitan Police.
- 19.5 BJH confirmed that part two of the 'We Value Difference' campaign will be launched soon.

20 Proposed dates of meetings in 2021

- 20.1 Member discussed that the dates for 2022 required setting.

ACTION: 14/21

The dates of the 2022 meetings to be programmed in by the Scrutiny Officers.

There being no further items of business the meeting closed at 11.33am.