

MINUTES – PART A
JOINT AUDIT COMMITTEE

17 June 2022, 10.00am to 12.30pm

GF01, Kelvedon Park / Microsoft Teams

Attendees:

Jonathan Swan (JS)	Chair
Julie Parker (JP)	Audit Committee Member
Simon Faraway (SF)	Audit Committee Member
Kashyap Pandya (KP)	Audit Committee Member
Sonya Edwards (SE)	Audit Committee Member
Roger Hirst (RH)	Police, Fire and Crime Commissioner
Jane Gardner (JG)	Deputy Police, Fire and Crime Commissioner
Pippa Brent-Isherwood (PBI)	Chief Executive & Monitoring Officer, PFCC
Janet Perry (Jp)	Chief Financial Officer / Strategic Head of Performance and Resources, PFCC
Andrew Prophet (AP)	Deputy Chief Constable, Essex Police
Debbie Martin (DM)	Chief Finance Officer, Essex Police
Mark Gilmartin (MG)	Director of Shared Support Services, Essex Police
David Levy (DL)	7F Head of Strategic Procurement
Morgan Cronin (MC)	Chief Superintendent, Strategic Change, Essex Police
John Gorton (JGo)	Head of Transport Services, Essex Police
Dan Harris (DH)	Internal Auditor, RSM
Anna O’Keeffe (AOK)	Internal Auditor, RSM
Paul Grady (PG)	Grant Thornton
Parris Williams (PW)	Grant Thornton
Carla Bailey	Scrutiny Officer, PFCC (minute taker)

Apologies:

Ben-Julian Harrington (BJH)	Chief Constable, Essex Police
Dr Vicki Harrington (VH)	Director of Strategic Change and Performance, Essex Police

1 Introduction and Apologies

- 1.1 JS welcomed everyone to the meeting and introductions took place. It was noted that the meeting was taking place both in person and via Microsoft Teams.
- 1.2 Apologies were noted for Ben-Julian Harrington and Dr Vicki Harrington.

2 Declarations of Interest

- 2.1 There were none.

3 Minutes of the last meeting and matters arising

3.1 20211217 – Part A Minutes

3.1.1 These were agreed.

4 Action Log

04/21 Estates Visit

MC took Members on a tour on 6 June 2022. Close.

11/21 Oversight of the Scheme of Governance

Due in September 2022, ongoing work. Remain open.

19/21 Progress Against External Audit Recommendations

This was on the agenda for the meeting. Close.

01/22 PFCC Risk Register

The wording had now been amended. Close.

4.1 JS commented that following their visit to the Essex Police estates the Independent Members would be interested in learning more about training of police officers.

ACTION 02/22

MC to arrange a briefing on the Essex Police training provision.

5 Joint Audit Committee Work Plan

5.1 A discussion took place in respect of Item 12 and it was agreed that the meeting taking place on 12 July 2022 was for Independent Members only, with the purpose to consider the self-assessment survey questions. The survey would then be distributed, with the results being presented to the Joint Audit Committee in September 2022.

6 Internal Audit Progress Report

6.1 DH provided an overview of the report. The Key Messages were:

- Since the last meeting RSM had issued five final reports from the 2021/22 internal audit plan.
- A further four reports had been issued in draft and it was expected that the final reports be issued shortly.
- The fieldwork for one further audit (Payroll) was complete with the draft report expected to be issued soon. One further audit had been delayed by the late

provision of information (Commissioning) but RSM would shortly conclude the work.

- The IR35 Follow Up review which was agreed to replace the IT Disaster Recovery audit was currently being scoped – this was a late change to the plan.

6.2 In response to a question raised DH confirmed that there were 15 recommendations in respect of IR35 however progress had been made.

6.3 AOK outlined the reports as follows:

6.3.1 Pensions and Ill-Health Retirement

AOK reported that there were no management actions, for pensions it was a partial assurance. In response to a question raised AOK confirmed that there was some information not received from both areas, however DM added that this had now been provided, and that due to the team only operating with fifty percent staffing levels difficulties had been faced.

RG commented that the issues with the delay from Essex County Council Pensions had been escalated through the appropriate channels.

6.3.2 Treasury Management

AOK reported a substantial assurance with two low priority actions.

6.3.3 Medium Term Financial Strategy, Budgetary Control and Management Reporting

This was reported as substantial assurance with one low priority action.

6.3.4 Follow-up

AOK confirmed that there was reasonable progress, with one high, one medium and one low priority action.

6.3.5 Operational change team – post implementation reviews

This was reported as reasonable assurance with two medium priority actions.

7 Annual Internal Audit Report

7.1 DH presented the report provided. The audit opinion for both the Police, Fire and Crime Commissioner and Essex Police was as follows:

“The organization has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.”

7.2 DH directed members to Appendix B which provided a summary of internal audit work completed in 2021/22. DH added that the three outstanding assignments would be finalised for the Joint Audit Committee in September 2022.

- 7.3 JS raised the question as to whether the “off-payroll” would be a topic within the Annual Governance Statement. DH confirmed that a paragraph detailing that the matter had been identified and appropriate actions taken may be included.

8 Audit Recommendations Tracker

- 8.1 DM presented the item and provided an update that there were 11 recommendations past their due date.

- 8.2 The following updates were noted:

Independent Advisory Group

Terms of Reference (TOR) have been signed off and circulated to members with the survey. Responses were requested by 31 May 2022. Results to be compiled by 14 June 2022.

Expenses

There were a number of force procedures which are past their review date. The two high profile procedures were actively being worked on, these were G1601 Mileage which was out for consultation and should be published by 30 June 2022, then procedure G1607 Subsistence was subject to a working group review following a pilot of new subsistence rates. The remaining policy G1600 Travel and Associated Transport and procedures G1602 Travel, G1603 Excess Travel and Dartford River Crossing and G1608 Other Allowances would be worked on following completion of the other procedures. A further procedure G1606 Travel and Accommodation had been published.

Leavers and Movers

Due to unforeseen demands the Exit project, was not yet live.

- A Service Manager, ‘Leaver Notification’ product was built and in final quality assurance. This would standardise the process of giving notice across both forces for all officers and staff, and simultaneously capture and report on the reasons for people leaving.
- The ‘Leaving the Organisation policy L1545’ had been fully consulted and was ready for publishing subject to ACO review and authorisation.
- A SharePoint web page for hosting all the processes, links and providing guidance was built and in final quality assurance.
- New processes utilising MS Forms technology for ‘Thinking of Leaving’, ‘Support Intervention Meetings’ and a revised ‘Leavers Questionnaire’ were created and in final quality assurance.
- A governance monthly meeting structure was rostered with key stakeholders. First meeting held on 31 May 2022.
- A draft communication for commanders and HoDs was with the Head of Resourcing for quality assurance.
- Expected to go live once the final quality assurance of the processes are complete.

Communications

The rationalisation of social media accounts had continued at pace. Prior to 2020 there were 400 social media accounts on Twitter owned by various employees across the force. Now, in line with the COG-approved social media rationalisation strategy,

as at time of writing there were 99 accounts left. Of those 37 are official accounts that would be kept and 62 are still to be deactivated. Of these roughly around 40 would need to be deactivated by Twitter due to passwords being lost or the Force being unable to contact the owners (individuals now have left for example).

Off Payroll Workers

PSTax selected 'random' sample of contractors from list of those used since April 2021 for both forces to establish working arrangements. The review of the selected sample was nearing completion - no issues for Essex (from the Essex Sample of 10; eight have been confirmed as employed by other forces/organisations and two awaiting confirmation). Contractors are on SAP for building proximity access/vetting etc. None were discovered on the system whereby an IR35 assessment would be required.

In March 2022 the initial 34 participants enrolled in the training.
Enrolled Module 1 - 34 (of which 14 participants have completed the training)
Enrolled Module 2 - 26 (of which 8 participants have completed the training)
A reminder was due to be sent to the outstanding participants at end of April 2022.

The last Gold Group meeting due on 24 May 2022 was cancelled. It is anticipated that this will be held prior to the JAC meeting.

DM and Jonathan Castle would implement a risk / control framework to identify and document all relevant OPW processes and the people in the various divisions and functions that have responsibility for maintaining individual parts of the process. This should be supported by an annual review process, signed by all responsible stakeholders, and ultimately signed off by the senior individual with overall accountability. This was ongoing as the framework would be put in place once other actions from this audit have been completed. An annual review would be carried out.

Estates Strategy

The Estate Strategy was under review for a formal revised strategy to be presented to the PFCC on 1 August 2022 for approval. The updated strategy would include the requirements of the audit action.

Complaints Reviews

The first part of this action was not yet completed. The second part was complete. Learning was now fed in through the PSD Quarterly board meeting and responses to themes and trends are tracked through this board.

- 8.3 In response to a question raised MC confirmed that Robin Punt had asked for a review of all Twitter accounts as it was to ensure that there was consistency to the posts. Twitter is still proving an effective method of communication. MC added that Essex Police uses other social media platforms as well and long-term there could be software that would assist in managing them centrally.
- 8.4 JS thanks DM and the team for all of their work on these recommendations over a short period.

9.1 PG outlined the report provided and added that there were no risks within the report that had not been there in previous years.

9.2 In response to a question raised PG confirmed Grant Thornton were confident that the audit opinion was achievable for the December 2022 deadline. PG added that the only issue could be the delay with the Essex County Council Pensions as the opinion could not be issued until a response was received from them.

10 External Audit Progress Report and Sector Update

10.1 PG presented the item and remarked that the position is a positive one and where they expected to be. Page 8 of the report onwards detailed the 2020/21 deliverables.

10.2 JP raised the question as to whether the report would be shared with Members should the Financial Reporting Council sample this audit. PG confirmed that there wouldn't be a specific report relating to Essex Police but a wider report would be made public. PG further clarified that Members may be contacted if Essex was chosen for the sample, but this was not definite.

11 External Audit – Annual Auditor's Report 2020-21

11.1 PG provided an overview of the report provided. PW added that this was the first year of the new National Audit Office (NAO) Code of Audit Practice and that required auditors to report of any significant weaknesses identified. PW confirmed that none were identified and remarked that the report was very positive.

11.2 PW outlined the Improvement Recommendations on page 5 of the report. RH added that most of the recommendations were being addressed and that the Medium Term Financial Strategy (MTFS) was revised recently.

11.3 A discussion took place with regard to inflation and the impact that may have on providing services. RH commented that this was discussed recently at the Strategic Board meeting. DM added that inflation was already covered in the 2023/24 MTFS and that the staff pay award forecasting was still manageable.

12 Review of Unaudited Statement of Accounts

12.1 DM outlined the report and commented that good progress has been made. The accounts would be signed on 27 June 2022 which allowed for them to be passed to Grant Thornton who would then come in mid July to begin the audit. DM added that the outstanding items would be ready for July.

12.2 In response to points raised RH commented that work had been done around inflation and that the investment plan does not need to be compromised. RH further added that money would not be put into the reserves until the risk of crime had been mitigated.

12.3 JS requested that if there were any changes the members would like to be sighted on these before September.

13 Review of the Anti-Corruption and Bribery Policy

13.1 This item was deferred to the September meeting.

14 Appointment of Internal Auditors

14.1 *Dealt with under Part B*

15 Update, if any, on Fraud and Debtors Write-Offs

15.1 There were none for this period.

16 Single Tender Actions

16.1 DL confirmed that there was one to report this period which was for the purchase of two recovery vehicles. The contract was awarded under exception d) in the 7 Force Contract Standing Orders (Section 5.2) as the contract was required so urgently that competition is impracticable, e.g. when an operational need arose which required immediate action.

17 Risk Register

17a PFCC Strategic Risk Register

Jp outlined the report provided and confirmed that there were 30 risks and one additional red risk.

The six red risks were:

- Strategic risk 71 (Police and Crime Plan) relating to reducing drug driven violence.
- Strategic risk 72 (Police and Crime Plan) relating to protecting vulnerable people and breaking the cycle of domestic abuse (DA).
- Strategic risk 73 (Police and Crime Plan) relating to reducing Violence Against Women and Girls (VAWG).
- Strategic risk 74 (Police and Crime Plan) relating to improving support for victims of crime.
- Strategic risk 77 (Police and Crime Plan) relating to the prevention of business crime, fraud, and cyber-crime.
- Strategic risk 55 (Fire and Rescue Plan) relating to broadening the roles and range of activities undertaken by the Service, in particular providing more protection and prevention activities.

In response to a question raised as to what the term “solved” related to, AP confirmed that this was when an individual was charged, cautioned and broadly speaking anything outside of No Further Action (NFA).

RH commented that “changing the picture” was very much reflecting that society was normalising post-Covid, and that some areas of crime were still on the rise. AP added

that the investment the Force is making, with the help of the PFCC and other partners is of paramount importance.

17b Essex Police Strategic Risk Register

MC presented the Essex Police Strategic Risk Register and confirmed that there were still 12 strategic risks. All risks had been reviewed at the Risk Star Chamber in May 2022. There was one change approved

Increase to risk score:

- 1131 Data Quality – change in risk score agreed from 20 to 30 (Possible x Moderate).

MC clarified that this was mainly related to the challenges faced with iHub not being fully compatible with Athena as it created duplicate records. Early human intervention had mitigated the majority of the issues and further work with software was helping to reduce this.

JS commented that this was a good report. It was requested that further narrative be provided at the next meeting on the management risks.

ACTION 03/22

MC to provide a synopsis of the management risks.

JS thanked MC and the Force for their work on the Risk Register. AP added that there would be movement on some of the red risks by the time of the next meeting.

18 Background Briefing – Fleet Electrification

18.1 JGo outlined the presentation previously circulated to Members.

The key points outlined were as follows:

- Currently this reflects a significant Force risk
- Several complex issues brought about by the government's decision to bring forward electrification to 2030
- A significant proportion of Essex Police vehicles are driven by highly skilled, trained officers, operating to the very limits of their capability
- Essex operates 773 fleet vehicles:
 - Broadly 50% split marked vs unmarked
 - 86% Diesel
 - 7% Petrol
 - 5% Hybrid
 - 2% EV
- No EV's currently suitable for high demand roles, (range, performance, capacity, charging dwell etc)
- Initial EV charging infrastructure represents significant capital investment

- ACC Baldwin – Chief Officer lead for this project, is overseeing consultancy work developing a roadmap to navigate Essex specific requirements and issues, this is in parallel with other review work being undertaken regionally as part of the “Laser” energy consortium.
- Working with NAPFM (National Association of Police Fleet Managers) and BLC, (Blue Light Commercial), in respect of coordinating national work and best practice in this area.
- Ongoing work with positive engagement and benchmarking with others

18.2 In response to a question raised JGo confirmed that the issue of purchasing new cars was international due to the same problem involving the microchip shortage.

19 Any Other Business

19.1 There were no further items of business.

20 Proposed dates of meetings in 2022

20.1 The dates were agreed.

21 Confirmation – Items for Part A and Part B Minutes

21.1 It was agreed that all items were for inclusion in Part A of the minutes with the exception of Item 14 which would need to be Part B.

22 Independent Members and Auditors Discussion

22.1 This was to take place outside of the formal meeting.

There being no further items of business the meeting closed at 12.55pm.