

MINUTES – PART A
JOINT AUDIT COMMITTEE

23 September 2022, 13.00 to 16.00

GF01, Kelvedon Park / Microsoft Teams

Attendees:

Julie Parker (JP)	Audit Committee Member - Chair
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 (JPe)	Chief Financial Officer / Strategic Head of Performance and Resources, PFCC
Andrew Prophet (AP)	Deputy Chief Constable, Essex Police
Mark Gilmartin (MG)	Director of Shared Support Services, Essex Police
Morgan Cronin (MC)	Chief Superintendent, Strategic Change, Essex Police
Esther Beaumont (EB)	7F Head of Category Management
Robin Punt (RP)	Head of Corporate Communications, Essex Police
John Gorton (JGo)	Head of Transport Services, Essex Police
Annette Chan	Finance, 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
Christine Butler (CHB)	PFCC (minute taker)
Apologies:	
Ben-Julian Harrington (BJH)	Chief Constable, Essex Police
Dr Vicki Harrington (VH)	Director of Strategic Change and Performance, Essex Police
Jonathan Swan (JS)	Chair
David Levy (DL)	7F Head of Strategic Procurement, Director of Commercial Services, Essex Police
Rachel Nolan	Assistant Chief Constable, Essex Police
Debbie Martin	Chief Finance Officer, Essex Police,

1. Introduction and Apologies

- 1.1 JP 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, Dr Vicki Harrington. Jonathan Swan, Debbie Martin, David Levy, Rachel Nolan.

2. Declarations of Interest

- 2.1 JP declared that she undertakes work for the LGA, who in turn owns the PSAA which appoints external auditors for much of the sector.

3. Minutes of the last meeting and matters arising

- 3.1 The minutes were agreed and there were no matters arising.

4. Action Log

11/21 On the agenda to be discussed at this meeting. Close

02/22 Independent Members had visited the training centre with excellent feedback. A very informative day with very passionate staff. Close

03/22 This action is factored into the current Risk Register. Close

5. Joint Audit Committee Work Plan

- 5.1 DH informed the Committee that the approval of the Internal Audit Plan and the Internal Audit Charter is a March annual item, it used to be September but going forward they are meeting in March.

- 5.2 JPe noted that there are many policies that related to the Anti-Fraud and Anti-Bribery Policy and therefore this policy needs further work as there are many interdependencies between the existing policies and this one. There is also the question of whether there is a statutory need or not for joint policies.

Action 05/22

AP to finalise the Anti- Fraud and Anti-Bribery Policy, in the light of existing policies in his area.

Action 06/22

Audit Committee to discuss the focus area of recruitment and retention information that they would like from Essex Police and get a full plan of briefings for the year.

DH suggested a change of order of agenda items – the chair agreed.

7.1 Progress report 21/22

7. Annual Report 21/22

8. Benchmarking report 21/22

6. Annual draft plan 22/23

6. Draft Internal Audit Plan 2022/23

DH highlighted the key messages from the Draft Internal Audit Plan.

- 6.1 The focus of the strategy, especially the 22/23 programme, has been driven by the respective Risk Registers and discussions with the range of stakeholders to get their opinions. There has been a broad approach as this was a new strategy. The proposed plan is in front of the Committee at this meeting and appendix B highlights the backward and forward looking view and shows the last time each area was looked at and the assurance rating provided
- 6.2 The partial assurance opinions from 21/22 are not automatically being subject to a full reaudit but RSM is proposing to provide follow up coverage.
- 6.3 There have been changes since previous years where focus has been on every key financial system every year. A different approach has been taken in 22/23 to look at those systems on a deeper dive more reciprocal basis.
- 6.4 IR35 legislation will be abolished as of 1st April next year. There were several findings in last year's report which have been worked towards. Kent has agreed its plan and there is a joint

audit looking at this area in the programme for 22/23. The Committee is to consider if it is a “live” program, to look at this area and determine whether it is worthwhile putting some of the internal audit resource in this year to explore the impact if that legislation is removed. There followed a discussion around IR35 and the how this may affect the approach we have on our workforce given the recruitment challenges. The Chair noted that this could be a fluid position with a decision to make in due course.

Action 09/22

AP and CC to take advice from Debbie Martin regarding the IR35 situation and come back with a way forward

- 6.5 AP made an observation in relation to the police uplift piece of work and the timing of it, as it is proposed for December 2022, but we will still be working on the last three months of delivery, as the uplift finishes March 2023. The team will not have time to discuss the IR35 situation, but this could be done after we finish the main drive of the uplift i.e., April 23 onwards. RH agreed that Police Uplift needed to complete by 31st March 23 and to revisit in April / May to ensure that it is complete.
- 6.6 DH clarified that, regarding year end processes, the timing can be looked at but as the IR35 review is being removed in October and it has been agreed to remove one in December and as the plan has started late, RSM want to start delivering some work in order for some final reports to come through to the December and March Committee meetings. DH will need to speak to finance around the timelines for some of the reviews. They may not want this review to be undertaken at the time of the year end.
- 6.7 DH confirmed that data quality would be an area that HMICFRS would look at and has been looked at in previous years and in other forces. AP added that, in terms of crime data quality, the accuracy of what was recorded was inspected by HMICFRS two years ago, and the force was rated as Outstanding for the recording of allegations of crime. Essex Police also has been looking at the internal data quality and whether the information is of the right quality when it comes into feeding the subsequent database. The Data Quality Governance Group will look at all those issues.
- 6.8 RH commented that in the last couple of years there have been a lot of issues raised regarding police culture and VAWG. In this plan there is a line of activity for culture which states it has not been looked at in the last few years and there are currently no plans to look at this over the next few years. RH said this is a matter for concern. More than half the victims fall away before the evidence is gathered and this needs to be explored. Action needs to be taken regarding the internal audit plan, if we are not looking at how culture is improving in the next three years.
- 6.9 DH clarified that the Victims Confidence Audit and Victims Code of Conduct could consider the increase in sexual offences and unresolved crimes, this will be determined when the audit is scoped. This is scheduled for November / December fieldwork and would be scoped imminently so we can take this discussion into the scoping meeting.

Action 10/22

DH to look at whether the Victims Confidence Audit and Victims Code of Conduct will be reported on at the same time. The audit scope will be drafted shortly and consider whether the increase in sexual offences and unresolved crimes will be looked at in the Victims Confidence Audit.

- 6.10 DH confirmed that the follow up coverage is scheduled for November. The Management Tracker needs to be updated as some of the dates may have slipped and items may need to be moved in respect of timing.
- 6.11 DH clarified that the focus on police cadets and safeguarding was probably due to the fact that they are children from the age of 13 years and the risk around this and the volunteering strategy.

7. Review of Annual Internal Audit Report

DH highlighted the key messages of the report.

- 7.1 The 22/23 Internal Audit Plan has not yet been started but it is on the agenda at this meeting.
- 7.2 Four final reports have been issued from the 2021/22 internal audit plan. One further report is due in draft re the payroll review. The sponsor of that audit was on leave just before the paper deadline and it could not be finalised for this meeting. The off-payroll workers (IR35) follow up audit has been deferred to 2022/23 to allow for the government changes to take effect.
- 7.3 The completion of the Commissioning Audit was delayed due to the later provision of information. A full draft report will be issued and will form part of the 2033/23 programme of work.

Findings from the four final Reports

- 7.4 Creditor Findings - One medium priority action and two low priority actions were identified. DH confirmed that these areas are reviewed every 3-4 years and dip sampled locally. DM has a process whereby all the actions that are agreed through the reports are not signed off until they have been fully actioned, and assurance checked.
- 7.5 Airwave - There were three medium priority management actions.
- 7.6 Procurement below 50K - One high priority and one medium Priority action was noted. RH was concerned as to whether 7F are aligned with EP processes. RH and / or the audit committee would like to see an annual update report which sets out what has been completed.

Action 07/22

A progress update report to be scheduled in for a year's time either at the audit committee or within the Performance & Resources Board work plan. JPe to factor this into the forward plan with RSM.

- 7.7 Victims Code regulations - There were several areas of non-compliance of the Victims Code.
- 7.8 Two high priority management actions and three medium priority management actions were noted.
- 7.9 AP commented that the force has also picked up on the issues here and invested in additional supervision in the control room, refreshed policies around victim contact, letters, and the Victims Code of Practice and along with training and recruitment and this will all be reported back via the Performance & Resources Board.

RH added that these concerns have also been raised by the Police, Fire and Crime Panel. There is some work being done on this and this report needs to be fed into that work and to pick up on the concerns and the actions outlined in this report. Both the evidence and response in the paper that will be brought to the Performance & Resources Board need to be addressed. There is more to do on this especially as it is a particular focus of HMICFRS across the country.

Action 08/22

AP to supply more of the detail behind these concerns regarding victim contact and the Victims Code which would be helpful for the auditors and the committee.

- 7.10 JP noted that the due dates have either passed or are next week. AP added that Essex Police are very much on the improvement journey and is confident that progress will have been made but not whether all the gaps will have been closed.

RH asked if this information could also be used as part of the regular review of the compliance with The Victims Code, which may be useful for how questions are structured around the Victim's Code of Practice.

Annual Report

- 7.11 DH confirmed that since the last meeting the overall opinions have not changed. No material changes, updated plan circulated.

12.33 – camera and audio halted at this time and IT contacted

12.46 - camera and audio resumed.

7.12 DH clarified that to obtain a “Green” status EP would need to focus the audit plan on the areas that the force is good at although is not a good use of the internal audit resource. Unless every risk is managed, no force or Commissioner in overall terms sits in that top level rating.

RH commented that having a “green” status is probably not the best way forward but nor is aiming for a cautious risk appetite and doing things carefully and slowly if we are to continue improving. JPa agreed, so long as we are comfortable and focussing on the right activities.

8. Internal Audit Benchmarking Report 2021/22

8.1 DH referred to the most recent financial year information and the level of assurance that has been received across the report - 33% resulted in substantial assurance; 50% in reasonable assurance, and 17% in partial assurance. Three or four areas of no strategic high risk have been targeted and they come through as partial assurance opinions. These are difficult to compare with year-on-year coverage as different years and different areas were focused on.

8.2 Regarding the internal audit management actions, they are below the force and Commissioner benchmark which is at an average of 0.35 high priority on average actioned across all plans. Although Essex is below that benchmark, its work plan is pointed at areas of risk which may result in high and medium priority actions which have been agreed through work and action plans.

9. Audit Recommendations Tracker

AC referred to the highlights of the tracker.

9.1 Section 2 provides a summary which shows that, out of 75 management actions, 47 have been signed off with 28 outstanding. 15 of those are management actions outstanding beyond their due date. There is a mixture of actions relating to Essex Police and some joint actions with Kent, 2 of which are PFCC actions.

10. Statement of Accounts 2021/22 Update (including Annual Governance Statement) - Verbal

AC gave a verbal report on the Statement of Accounts

10.1 Originally it was proposed to present to the Committee the final audited accounts at this meeting. The revised timetable for the closure was based on the statutory timetable of the draft accounts which needed to be published by 28 July and the final accounts by 5 September. The draft accounts were signed and published by 28 July however the statutory deadline is now 30 November.

10.2 The Audit has moved to a Major Local Audit due to the £500m threshold being triggered. This has meant that there has been more focus than was previously anticipated, including the technical audit of the accounts. It has led to higher points of testing and scrutiny and an increase in queries. The audit work will need to continue into October but there is still an expectation that the statutory deadline will be met. The proposal is to present the audited final accounts to an Extraordinary JAC meeting with the proposed date of 24 November.

Action 11/22

Consultation to take place regarding an extraordinary meeting of the JAC aiming for the 24 November. This cannot be much later due to EP Strategic Board on the 28 November. JPe to liaise with the Committee on this. The meeting to be held on Teams for 45 minutes.

10.3 AC confirmed that they were made aware of the change of information in July when the draft accounts came out and was over the £500m threshold. AC said that the work has been quite intensive, and they are hoping to put some additional resource in to cope with this for next year's closure of the accounts. There is a discussion next week relating to budget bids for 2023/24 and one of the items is the investment in the finance team. There is still a risk around waiting for the pension fund assurance letter.

- 10.4 JP raised her concern over the situation of the team not having resilience and leaving the team vulnerable. AC said there is a longer-term solution but meeting the statutory timetable at the moment also needs consideration. JPe said that the PFCC will move any ad hoc reports going to the Performance & Resources Board that involve finance and not urgent, to allow the capacity to be where it is needed for next month. In addition, there was an issue with audit availability because the audit was continuing into October, and it would take too long to get any other staff through vetting. PW mentioned that there was some staff already vetted by other forces and whether that would suffice for Essex. AP said he would consider how these staff might be cleared for Essex.

Action 12/11

AP will consider the issue of vetting the external auditors already vetted by other forces and will inform the external auditors

11. External Audit Update

- 11.1 The discussion on the accounts had been included the External Auditor feedback.

12. Oversight of Scheme of Governance

- 12.1 PBI said that longer-standing members of the committee will be very familiar with the content of this report and there has not been any significant changes since the previous year's report.
- 12.2 The section in paragraph 1.2 discharges the action on the action log. This is regarding being clear in the document that the operational decision making is exempt from these arrangements. This year, the only other change that has been made is in paragraph 3.3, where there is also included a reference to the PFCC's Business Interests Staff Declaration Policy.

Action 13/22

In response to feedback from the Committee, PBI will include policies on environmental sustainability and information governance in next year's report.

13. Risk Register

PFCC

JPe gave highlights from the PFCC Risk Register.

- 13.1 There are still 30 risks which include a new red risk and the closing of a green risk and movement of some amber risks.

Risk 90 is the new red risk which is now on the register

Exceptions – relating to the Police and Crime Plan, there are 5 red risks, 1 deteriorating amber and 2 improving ambers.

Risk 78 relates to volunteers and community support. This higher amber risk is due to the number of specials having dropped, mainly due to a number having joined the force as regulars and the cost of living issue making it more difficult for people to volunteer.

Most of the red risks have been red for some time and, as the risk appetite is cautious, it was agreed that a workshop would be set up to understand whether the risk appetites and mitigations should be reviewed.

Action: 14/22

JPe to arrange for workshops to be set up to further understand the red risks and the cautious risk appetite for these risks

- 13.2 The new cost of living risk has been introduced as this does not just affect the budget but also recruitment, retention, and wellbeing. It is mainly red due to the Fire and Rescue financial challenges, while policing has more certainty over funding.

- 13.3 AP observed that is there another risk that is significant in how we deliver against several of the crime measures, which is the criminal justice backlog. It continues to be a real challenge both in Essex and nationally and has an impact on victim confidence. RH said that this risk could come under Victims as this is an area where we are letting victims down and it is a responsibility of the PFCC. JG suggested that JPe speak to Nikki Essex as we have a strategic risk register across the Essex Criminal Justice Board and Reducing Reoffending Board to see whether we have identified it there.

Action 15/22

JPe to feedback to the risk owner the need to highlight this issue within the risk relating to Victims and to assess this impact within the scoring.

Action 16/22

JPe to speak to Nikki Essex regarding the Essex Criminal Justice Board / Reducing Reoffending Board risk register to see whether we have identified the risk there.

Essex Police

This section is under the Part B minutes

14. Update on Fraud, Debtors Write Offs

There were no updates on this item.

15. Single Tender Actions

EB presented the projects that have been exceptions to the normal procurement procedures during this period

- 15.1 Forensic collision investigation unit – This is a 7F wide contract where there is evidence that only one supplier has been able to carry out that work or service. This contract has been awarded to a company called AITS and confirmation has been received from STIN that they are indeed the only supplier that can deliver the service due to the accreditation that is also required to meet the ISO17020. The only current supplier of these courses to date is AITS and they are an associate college of the De Montfort University. RH is satisfied that this is correct.

- 15.2 There is a force wide upgrade of legacy controllers. This is an EP only contract and it has been evidenced that there is only one supplier. The contract has recently been awarded to Sygma Security which currently provides maintenance arrangements for the integrated custody systems and therefore this supplier already understands the systems and the sites, meets the requirements and has pre-vetted staff. There is an urgency due to the failure of the PAC access control system and subsequently the supplier has done some remote health checks on the system with the intention being to upgrade the software asap to maintain our sites security and ensure that EP is complying with the latest security encryption recommendations to maintain the system stability. The contract renewal value is £178,000 for the installation of this upgrade.

EB confirmed that there is not any maintenance or support contract currently associated with this. EP has a contract with Sygma for maintenance and support of the integrated custody systems but not of the legacy controller system. MG added that the access control system has needed major investment for some time.

Action 17/22

AP to look at why our current suppliers are unable to upgrade / replace or support the legacy controller system and how this situation has arisen.

Action 18/22

MG to check with ECFRS regarding collaborative estates work to scope the products and contracts to see if they can be aligned and to identify any unsupported critical systems

- 15.3 EB confirmed that the Video Management System is a bespoke system and the Milestone system can only be procured from Milestone resellers although there still is an element of

competition. Three quotes have been evaluated and the result has been an award of contract to Panoptech which is enabling us to deliver a £87,000 saving against the budget on a five year contract.

16. Update on Review of Effectiveness self-assessment - Verbal

- 16.1 JPe said that it had been noted earlier in the meeting under the forward plan that the survey would be sent out and, once assessed, a report would be compiled for the committee

17. Background Briefing – social media

RP presented a presentation that had been previously circulated to the Committee

- 17.1 This is part of the overall media and communications strategy for the force which has not been revised since 2019/20. It is part of telling our story to our partners, our colleagues and the public.
- 17.2 RP clarified how EP is proposing to keep up with technology and the demographics. There are two approaches, the first is to set up all social media accounts, the second approach is that you can buy access to accounts by placing advertising on them. There is some optimisation and integration to do, and there is opportunity for a lot of new approaches and to migrate people onto platforms that we already own
- 17.3 RH commented that podcasts are very different but very powerful to lower numbers and is very interested in going down this route and using influencers. RP added that checks are needed for influencers, but this is a good resource for messaging.

18. Any Other Business

Confirmation – Items for Part A and Part B Minutes

It was agreed that all items were for inclusion in Part A of the minutes with the exception of Item 14 (Risk Register - Essex Police) which would be Part B.

Action 19/22

Narrative on Victims Code to be reviewed prior to publication – This section of the Internal Audit Report is restricted.

Independent Members and Auditors Discussion

This was to take place outside of the formal meeting.

There being no further items of business the meeting closed at 14.50