

## MINUTES – PART A

### JOINT AUDIT COMMITTEE

16 December 2022, 10:00am to 12:30pm

GF01, Kelvedon Park and via Microsoft Teams

#### Attendees:

Jonathan Swan (JS)	Audit Committee Member (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
Pippa Brent-Isherwood (PBI)	Chief Executive & Monitoring Officer, PFCC
Janet Perry (JPe)	Chief Financial Officer / Strategic Head of Performance and Resources, PFCC
Darren Horsman (DHo)	Strategic Head of Policy and Public Engagement, PFCC
Ben-Julian Harrington (BJH)	Chief Constable, Essex Police
Debbie Martin (DM)	Chief Finance Officer, Essex Police
Mark Johnson (MJ)	Head of Research and Analysis, Essex Police
Tim Bamforth-White (TBW)	Planning and Risk Manager, Essex Police
Jules Donald (JD)	Chief Information Officer, Head of IT, Essex Police
Dan Harris (DH)	Internal Auditor, RSM
Zoe Hibbert (ZH)	Internal Auditor, RSM
Helen McGrath (HM)	Scrutiny Officer, PFCC (Minutes)

#### Apologies:

Dr Vicki Harrington (VH)	Director of Strategic Change and Performance, Essex Police
Mark Gilmartin (MG)	Director of Essex and Kent Support Services
T/Ch/Supt Morgan Cronin (MC)	Chief Superintendent, Strategic Change, Essex Police
Shalini Gandhi (SG)	RSM
Paul Grady (PG)	Grant Thornton
Parris Williams (PW)	Grant Thornton

*Meeting commenced at 10:05am.*

#### 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 PBI clarified that she had initially given apologies but due to a change in her commitments was pleased to now be able to attend.

1.3 JS clarified the correct terminology to be used going forward, to avoid any confusion, with regards to the different groups. Joint Audit Committee should be used when relating to this meeting. The Auditor Panel is a separate body that convenes to discuss matters separate to the Joint Audit Committee. Depending on the items to be discussed by the Auditor Panel, JP may or may not partake dependent on her work for the LGA.

1.4 Apologies were noted, as listed on page 1.

## 2. Declarations of Interest

2.1 There were none.

## 3. Minutes of the last meeting and matters arising

### 3.1 23<sup>rd</sup> September 2022 – Part A Minutes

3.1.1 Page 1, Item 2: JP requested the wording be changed to 'JP declared that she undertakes work for the LGA, which in turn owns the PSAA which appoints external auditors for much of the sector'.

3.1.2 Page 2, Action 06/22: JP requested wording be changed to '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.'

3.1.3 Page 6, Item 13: Should refer to Janet Perry (JPe) and not Julie Parker (JP).

3.1.4 SF highlighted that the numbering of items, throughout the document, is inconsistent.

3.1.5 Page 2, Action 04/22: SF commented that action needs to be reworded, however it appears 05/22 is a duplicate action, therefore 04/22 to be removed.

3.1.6 Page 2, Item 7.2: SF commented that the last paragraph needs to be clearer. Suggest 'The off-payroll workers (IR35) follow up audit has been deferred to 2022/23 to allow for the government changes to take effect'.

3.1.7 Page 3, Item 7.11: SF suggested wording be changed to 'No material changes, updated plan circulated.'

3.1.8 Page 4, Item 6.7: Typo on 3<sup>rd</sup> line, should state 'force' and not 'foce'.

The above amendments were accepted, and minutes were approved subject to those amendments.

### 3.2 23<sup>rd</sup> September 2022 – Part B Minutes

3.2.1 Numbering of items, throughout document, to be updated.

The above amendments were accepted, and minutes were approved subject to those amendments.

### 3.3 25<sup>th</sup> November 2022 – Extraordinary Meeting Minutes

3.3.1 Page 3, Item 2.16: Typo on sixth line, should read 'share', not 'shre'. Final sentence, starting 'JS confirmed notification...' to be deleted in its entirety.

3.3.2 Page 4, Item 3.4: JS requested wording be changed to 'The committee recommended approval of the accounts presented'.

3.3.3 Page 4, Item 4.1: JS requested the word 'panel', on the second line of the sentence, be changed to 'committee'.

The above amendments were accepted, and minutes were approved subject to those amendments.

#### 4. Action Log

04/22 JAC Workplan  
Duplicate action.  
**Close.**

05/22 JAC Workplan  
Anti-Fraud and Anti-Bribery Policy on agenda for discussion today.  
**Close.**

06/22 JAC Workplan  
Force Recruitment and Retention Update to be added to background briefing list. SF and JS explained this request followed an insightful visit to the Police College to learn more about training, which then unearthed questions about recruitment. Following discussion on whether to focus purely on recruitment, BJH highlighted the importance of retention to this topic. RH concurred and added that the Police Federation is also focused on the retention of police officers. Action to be updated to clarify that Essex Police is to prepare a background briefing on Recruitment and Retention to the Force to the Audit Committee.  
**Close.**

07/22 Internal Audit Progress Report  
JPe confirmed that Annual Procurement Update (for items below £50k) has been added to the workplan for September 2023.  
**Close.**

08/22 Internal Audit Progress Report  
Written update provided by DCC Prophet regarding the Victims Contract and Victims Code. DH confirmed RSM is currently involved in discussions on the scope of that review.  
**Close.**

09/22 Draft Internal Audit Report  
IR35 situation reviewed and draft report currently with DH. Report and follow up actions to be submitted for discussion at the March 2023 meeting.  
**Close.**

10/22 Draft Internal Audit Plan  
Duplicate action.  
**Close.**

11/22 Statement of Accounts  
Extraordinary meeting held on 25<sup>th</sup> November 2022.  
**Close.**

- 12/22 Statement of Accounts  
JPe clarified that this action related to accessing capacity to complete the accounts for 2021/22. Action completed.  
**Close.**
- 13/22 Oversight of Scheme of Governance  
Not due until September 2023 and noted for inclusion.  
**Close.**
- 14/22 PFCC Risk Register  
JPe confirmed that workshops have now taken place with attendance from the PFCC's Office and other colleagues identified with a knowledgeable interest in this area. JPe to discuss grading of risks under item 9.1. SF asked for clarity on the outcome of the workshops. JPe responded that further workshops should be held, and the risk appetite be reviewed. DHo concurred with JPe, noting this was a useful exercise and suggested the item be further discussed by the Senior Management Team (SMT) following the workshop feedback.  
**Close.**
- Action 20/22**  
**JPe to report back to the committee, following review of the workshop feedback, with proposals relating to risk appetite, as part of the regular risk update agenda item.**
- 15/22 PFCC Risk Register  
JPe confirmed comments have been fed back to Greg Myddleton (Strategic Head of Partnerships and Delivery), and these have been factored into his assessment.  
**Close.**
- 16/22 PFCC Risk Register  
JPe confirmed comments have been fed back to Greg Myddleton (as Nikki Essex, Community Safety and Criminal Justice Manager, is currently on maternity leave), and these have been factored into his assessment.  
**Close.**
- 17/22 Single Tender Actions  
Written update provided by DCC Prophet. BJH concurred with DCC Prophet's update and reiterated the importance of this work given the security implications.  
**Close.**
- 18/22 Single Tender Actions  
Written update provided by Mark Gilmartin. BJH added that extensive strategic work has been undertaken in relation to estates.  
**Close.**
- 19/22 Any Other Business  
With regard to the narrative on the Victims Code within the internal audit report, BJH clarified that, if the Victims Code section is redacted before publication, this also needs to be reflected in the minutes. DH to review the minutes to ensure the sensitive element is removed and provide an update at the next committee meeting.  
**Remains open.**

20/22 External Audit Tender (Part B)  
Meeting arranged for 3:15pm today (16<sup>th</sup> December). 7Force Commercial not attending. 7Force Commercial to attend meeting in January instead.  
**Close.**

#### 5. Joint Audit Committee Work Plan for 2023

- 5.1 The work plan was updated for 2023 and circulated to all prior to the meeting.
- 5.2 JS requested Item 14: Annual Review and Annual Statement from Chair be scheduled for March 2023. Agreed.
- 5.3 DH requested Item 1: Approval of Internal Audit Plan and Internal Audit Charter be moved from September 2023 to March 2023. Agreed.
- 5.4 JP requested plan for all background briefings be confirmed. Agreed.

#### **Action 21/22**

**HM to update the work plan to reflect the above amendments.**

#### 6. Internal Audit Progress Report

- 6.1 The report circulated with the papers was summarised by DH.
- Follow Up – Part 1 Review: Has been issued in draft.
  - Off Payroll Workers: Draft report issued, QA process undertaken and now awaiting sign off from DH.
  - ESMCP – Financial Impact: Draft report issued, QA process undertaken and now awaiting sign off from DH.
  - Creditors Review: Currently undertaking analytics work.
  - Special Constabulary and Volunteers Review: In progress.
  - Section 3 of Internal Audit Progress report highlighted, noting the timescale for all reviews / reports to this committee.
- 6.2 ZH summarised the appendices of the report and highlighted the medium priority management actions relating to:
- Leavers
  - Processing of Amendments
- 6.3 SF highlighted that previous payroll reviews have identified the same issue with regards to leavers and asked whether repeat identification of this problem escalates the concern to management. DH responded that the two previous financial years have identified staffing issues, which in turn has impacted the items highlighted in this review. DH continued that another payroll audit is scheduled for March 2023 and suggested that the findings of that audit be presented at the Audit Committee meeting in June 2023. Agreed.

#### **Action 22/22**

**RSM to provide a report to the June 2023 Audit Committee meeting, following the payroll audit in March 2023.**

- 6.4 DM offered reassurance in that, at the time of the audit, Payroll was at 64% in terms of strength against the establishment. Since then, a number of appointments have been made including an experienced Head of Payroll and Pensions who is due to start on 9<sup>th</sup> January 2023. DM continued that the leavers issue identified relates to the Business

Services element of processing leavers, who must gather a range of information before they can process a member of staff as a leaver, e.g. annual leave, sickness etc., as these elements will affect the staff member's final pay.

- 6.5 SF sought clarification on some leavers taking up to 44 days to process and whether that delay related to a specific part of the system. He was advised that this delay would have occurred within the Business Services team, while they await the requested information, and that some cases are more complex than others. DM also noted that the report highlights one case relating to a death in service, which would lengthen the leaver process.
- 6.6 JP enquired as to whether consideration should be given to the risk of unrecovered overpayment of payroll, due to the delay in processing leavers. DM advised that she and the team are fully aware of the risk of overpayment and do therefore prioritise the provision of information in a timely manner. DM continued that this does not pose an issue with police staff, due to a more stable pattern of work, however this is more complex for police officers as their shift patterns will vary and their pay date is 15<sup>th</sup> of the month. DM clarified that, in the event of an overpayment, an invoice is raised as opposed to a write-off.
- 6.7 In support of DM's comments relating to overpayment, DH highlighted page 16 of the Internal Audit Progress Report, which details a sample of 10 overpayments between April 2021 and January 2022 that were investigated and subsequently resolved in a timely manner.
- 6.8 Focusing on the Commissioning Internal Audit Report (page 21 onwards), ZH highlighted the medium priority action relating to the issuing of a grant to the Essex Youth Offending Service (YOS) without evidence of a formal agreement or contract. JS enquired as to how a grant could be issued if no contract / agreement was in place. PBI explained that the YOS has been funded by the PFCC, through Essex County Council, for a number of years with the required paperwork in place, however this has not been provided to the auditors due to personnel changes at that time. PBI assured the meeting that a new member of staff has now been appointed with responsibility for these areas and so this issue will not re-occur going forwards. DH added that a follow up audit is scheduled for March 2023, when these areas for improvement will be reviewed.
- 6.9 Within the Commissioning report, under Management Action 3 (page 5), KP commented it would be useful to know the timescales involved. PBI confirmed that a target has been set for May 2023 for this management action to be completed, but accepted KPs comments with regards to processes needing time to be fully embedded in the organisation.
- 6.10 In reference to the 43 recommendations identified from the HMICFRS report (page 32 of the RSM briefing), JP enquired as to how these would be implemented locally. BJH assured the meeting that Essex has just undergone its own Vetting and Counter Corruption inspection as part of the rolling thematic inspection process and, of those 43 recommendations, 23 apply directly to Police Constables and others apply to national services. Essex Police has an action plan in place and is confident that many of the actions are already in place. BJH continued that Essex Police has robust vetting measures in place, with increased vetting protocols in place for higher ranked officers and that, notably, 79 people were refused entry into Essex Police following findings from the vetting process. BJH also noted the cohesive processes between the HR, conduct and discipline areas. The formal report is due in March 2023. RH concurred

with BJH's comments and added that the PFCC and Police, Fire and Crime Panel continue to monitor the work of Essex Police in this area.

- 6.11 Following reference to the Police, Fire and Crime Panel by RH, PBI mentioned reports on vetting and how behaviours are monitored within the force that had been submitted to this panel and offered to share these reports with this committee. RH and BJH agreed.

**Action 23/22**

**PBI to share reports on vetting with committee, as previously shared with the Police, Fire and Crime Panel and ensure any future updates are also shared with the committee.**

- 6.12 BJH suggested a background briefing be provided, following receipt of the formal Vetting and Counter Corruption inspection outcome in March 2023. JS agreed.

**Action 24/22**

**Background briefing on Vetting and Counter Corruption to be added to the work plan for post March 2023.**

7. Internal Audit Recommendations Tracker

- 7.1 The report circulated with the papers was summarised by DM.
- 7.2 Since the report was circulated to this committee, DM was pleased to advise that Report No. 13.21.22 on 'Victims' Code – Force Control Room and Resolution Centre', has now been signed off.
- 7.3 Likewise, DM advised that Report 'No. 4.21.22 on Pensions and Ill Health Retirement' is now due for imminent sign off.
- 7.4 With regards to Report No. 14.21.22 'Operational Change Team: Post-Implementation Reviews', DM explained that further work needs to be done in testing the system before the report can be signed off.
- 7.5 DM highlighted the Audit Summary table on page 4 of the report, noting Report No. 19.20.21 'Expenses' which has been delayed as it covers a number of areas. She advised that the mileage element has been completed, the subsistence section will be completed imminently, and the remaining outstanding areas are relatively minor. She therefore expects the report to be fully signed off in the next few weeks.
- 7.6 DM advised that Report No. 3.2.21 'Off Payroll Workers (IR35)' is currently with the policy team for consultation and will be published imminently.
- 7.7 DM confirmed Report No. 5.21.22 'Estates Strategy – Disposals' was signed off by the Strategic Board on 15/12/2022 and so will now progress to completion.
- 7.8 SF raised concern regarding whether the nine reports due for completion at the end of this month would be achievable.
- 7.9 In relation to expenses, given the length of time taken to update, SF suggested this may need a further review but accepted DM's earlier comments with regards to the number of elements involved. Related to this, DM added that they had not appreciated the extent of the mileage element to expenses as it covers the whole group of transport and associated transport policies. In response, SF asked about the risk relating to these

policies and asked whether these policies now have a timely review period. DM clarified that only minor changes had been made to wording etc. and greater clarity added following previous queries raised. With regard to any policies related to allowances, DM advised that a separate allowances page is updated as / when necessary, which is referred to in the policies and so removes the need to continually update. DM believes that, once the subsistence section is finalised, completion of the remaining elements would follow shortly.

## 8. Statement of Accounts 2021/22 Update

- 8.1 DM advised that the pensions letter (LGPS) from Essex County Council remains outstanding, at which point Essex Police and the PFCC will be able to sign off the accounts. JPe added this issue has been raised with the Financial Reporting Council (FRC), which recognises this as a national issue.
- 8.2 DM advised that the auditors' review did highlight a matter relating to Property, Plant and Equipment which will incorporate IT assets, therefore the statement will be revised to reflect those amendments.

### **Action 25/22**

**RH to draft a letter to Essex County Council, on behalf of the PFCC and Essex Police, in relation to the continued delay of the requested LGPS pensions letter.**

- 8.3 JPe highlighted that one of the consequences of being unable to formally sign off the accounts is that the annual report remains in draft. Publication of draft accounts was discussed. DM felt it best to wait for the final sign off before publication. DHO added that some narrative on the delay has been provided to the Police, Fire and Crime Panel meeting, the minutes of which are already public.

## 9. Risk Register

### PFCC

- 9.1 The PFCC's risk dashboard, strategic risk report and strategic risk register circulated with the papers were summarised by JPe. The following points were highlighted:
- 30 strategic risks currently (same figure as previous reported), including one less red risk, one more green risk and one deteriorating amber risk.
  - **No. 72: Protection of vulnerable people and reduction in the cycle of domestic abuse**  
JPe advised this remains red as the number of offences has increased and there is low public confidence in this area.
  - **No. 73: Reduction in violence against women and girls**  
JPe advised this remains red as the number of violence against the person offences against a female has increased, the number of sexual offences against a female has increased and level of preparedness to walk alone in the dark for females is 43% (against 76% for males).
  - **No. 74: Improvement in the support for victims of crime**  
JPe advised this remains red as the number of offences has increased and the difference of confidence between victims and non-victims is significant, with a 17-percentage point variance.



- **No. 77: Prevention of business crime, fraud and cyber crime**  
JPe advised that confidence levels remain low and, in terms of judicial outcomes, nationally this is at 4.9% whereas Essex is at 2%. JPe was aware that the Essex figure had since improved and so this risk requires further analysis but suggested it remains red.
- **No. 55: The broadening of roles and developing a wider range of activities within the fire and rescue service**  
JPe advised this remains red and that the threat of industrial action has an impact on this risk.
- **No. 90: Cost of living (budget, recruitment and retention impact)**  
JPe advised this remains red although some encouragement had been received in relation to funding.
- **No. 71: Reduction in drug driven violence**  
JPe advised this has moved from red to amber as confidence is above 60% and has remained stable. Furthermore, offence numbers are lower than during the pre-covid period and the Essex Police scorecard recommends a grading of 'good'.
- **No. 52: Improvement in safety on our roads**  
JPe advised this has been identified as a deteriorating amber risk due to the number of people killed or seriously injured increasing by 17.5%, together with a decrease in public confidence.
- **No. 14: Benefits from 7F collaboration**  
JPe confirmed this risk has moved from amber to green due to the robust oversight and governance in place and the £4.6m cashable savings confirmed.

9.2 JS requested that the PFCC risk dashboard be updated to identify risks associated with Essex Police and those associated with Fire and Rescue. JP to action.

#### **26/22**

**JPe to add a column on the PFCC risk dashboard to show whether the risk relates to Essex Police or Fire and Rescue.**

9.3 BJH commented that the deteriorating picture of safety on our roads is a concern and assured the meeting that Essex Police has refreshed its Road Safety Policing Strategy, in collaboration with a number of partners and will, of course, continue to enforce and educate drivers to reduce such incidents.

9.4 With regards to domestic abuse, BJH was pleased to report a reduction in the number of offences, based on the crime tree report for November 2022. Prevention and victim support work continues in this crucial area.

#### 10. Update, if any, on Fraud and Debtors Write Offs

10.1 None to report.

#### 11. Single Tender Actions

11.1 None to report.

12. Report / results of self-assessment

- a) Survey of the effectiveness of the audit committee
- b) Annual review of the Terms of Reference

- 12.1 Prior to the meeting, it was agreed that a separate meeting be organised in January 2023 specifically to discuss the above two items. HM to arrange.

**Action 28/22**

**HM to organise a separate meeting of the committee in January 2023 to discuss:**

- a) Survey of the effectiveness of the audit committee**
- b) Annual review of the Terms of Reference**

13. Background Briefing – Cyber Security (official-sensitive)

- 13.1 The presentation circulated with the papers was displayed by JD during the meeting, who summarised the key points.

- 13.2 JS was satisfied with the level of protection given to routine office software but sought clarification as to the protection provided for specialist packages such as Athena. JD explained that specialist packages, such as Athena, are provided by a third party and therefore the responsibility for securing the system remains with them as the supplier. Furthermore, from the outset of entering any contract, the cyber requirements of Essex Police are clearly conveyed and tested beforehand. JD confirmed that, to date, there had been no major security alerts related to Athena. JD assured the meeting that, while third party suppliers must adhere to the stringent security measures set out nationally, Essex Police also undertakes its own periodic monitoring of all its systems.

- 13.3 JS thanked JD for the informative presentation to the committee.

14. Anti-Fraud and Bribery Commitment

- 14.1 The paper circulated in advance of the meeting was summarised by JPe.

- 14.2 The document had been prepared by DCC Prophet, JPe and other Essex Police colleagues and interlinks with several other policies. JPe confirmed this is a joint policy between the Chief Constable and the Commissioner.

- 14.3 BJH confirmed he is happy with this joint commitment, which lists all the relevant policies and procedures for both Essex Police and the PFCC.

- 14.4 KP welcomed this update and asked how staff are trained and kept up to date on policies. BJH responded that keeping staff up to date on these matters will always be a challenge however all new staff (including volunteers) are signposted to these policies as part of their induction and when accepting the force's Code of Ethics, which is embedded throughout the HR, vetting and selection processes. Specifically, for vetting and counter corruption, BJH confirmed that a targeted risk approach is in place for higher risk areas (e.g. use of technology, sharing information, gifts and hospitality etc) and this is routinely monitored and scrutinised by the Integrity and Counter Corruption Board chaired by DCC Prophet. BJH added that training and circulars are also proactively delivered to inform colleagues.

- 14.5 Given the number of policies identified, JS enquired as to how a new member of staff is introduced to each policy. BJH explained that many are embedded into the Essex Police Code of Ethics as well as line management discussions, professionalism training

and additional training for supervisory roles to guide the response of themselves and those who they line manage.

- 14.6 SE highlighted that the policies listed on page 3.3 of the cover sheet is not consistent with those listed in Appendix 1 of the policy. JPe to update.

**Action 29/22**

**JPe to update Anti-Fraud and Bribery Commitment cover sheet to ensure the policies listed correlate with those listed in Appendix 1 of the policy document.**

**15. Client Briefing**

- 15.1 There were none for this period.

**16. Any Other Business**

**16.1 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 9 (Essex Police Risk Register) which would need to be Part B.

- 16.2 JP confirmed receipt of meeting dates for 2023 but highlighted that the previous system was to alternate Essex Police and Essex Fire and Rescue audit committee meeting times. JPe advised that there had since been a conscious decision not to do this following advice from Essex Fire and Rescue colleagues. They advised that all 10am audit meetings would clash with their Senior Management meetings and as such, would require the meeting to start later which would then have a knock-on effect to the afternoon meeting start time. To cause minimum disruption, and with approval from JS, it was decided to revert to holding all JAC meetings in the morning and all ECFRS meetings in the afternoon.

- 16.3 With good governance in mind and following a long tenure as Chair of this committee, JS has submitted his resignation, which RH had accepted. JS confirmed his last meeting as Chair would be March 2023. RH offered his thanks to JS for the huge difference he had made as Chair.

- 16.4 There being no further items of business the meeting closed at 12:26pm.

**2023 Meeting Dates (all 10:00 to 12:30)**

- 24<sup>th</sup> March 2023
- 16<sup>th</sup> June 2023
- 22<sup>nd</sup> September 2023
- 8<sup>th</sup> December 2023
- An extraordinary meeting will be scheduled for July 2023 (date to be confirmed)