

MINUTES – PART A
JOINT AUDIT COMMITTEE

24 March 2023 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
Pippa Brent-Isherwood (PBI)	Chief Executive & Monitoring Officer, PFCC's office
Joanne Brown (JB)	Grant Thornton
Natasha Carslaw (NC)	Grant Thornton
Jules Donald (JD)	Director of Support Services, Essex Police & Kent Police
Dan Harris (DH)	RSM
Fiona Henderson (FH)	Director of Continuous Improve Analytics
Zoe Hibbert (ZH)	RSM
Roger Hirst (RH)	Police, Fire and Crime Commissioner
Dave Levy (DL)	Director of Commercial Services, Essex Police
Debbie Martin (DM)	Chief Finance Officer, Essex Police
Janet Perry (JPe)	Chief Financial Officer/ Strategic Head of Performance and Resources, PFCC's office
Andy Prophet (AP)	Deputy Chief Constable, Essex Police
Jeremy White (JW)	Finance Manager, PFCC's office
Parris Williams (PW)	Grant Thornton
Camilla Brandal (CB)	Minutes, PFCC's office

Apologies:

Sonya Edwards (SE)	Audit Committee member
Jane Gardner (JG)	Deputy Police, Fire and Crime Commissioner
Ben-Julian Harrington (BJH)	Chief Constable, Essex Police

Meeting commenced at 10:05am

1 Apologies for Absence

1.1 Apologies were noted as above.

2 Declarations of Interest

2.1 JP confirmed her association with the LGA and PSAA.

3 Minutes of the last meeting and matters arising

3.1 16th December 2022 – Part A Minutes

3.1.1 JP asked that action log item 07/22 refer to JPe not JP.

The above amendment was accepted, and the minutes were approved subject to that amendment.

3.2 16th December 2022 – Part B Minutes

3.2.1 JP asked that item 18 be amended to note that JP declared an interest and muted the meeting for that item.

The above amendment was accepted, and the minutes were approved subject to that amendment.

3.3 3rd February 2023 – Additional Meeting Minutes

There were no amendments to the minutes, and they were subsequently agreed. There were no matters arising.

4 Action Log

- 19/22 Any Other Business
Victims Code narrative redacted and moved to Part B.
Close.
- 21/22 Work Plan 2023
December meeting updates included.
Close.
- 22/22 Internal Audit Progress Report
RSM to provide report to the June 2023 JAC.
Remains open.
- 23/22 Internal Audit Progress Report
Vetting reports circulated with JAC papers for this meeting.
Close.
- 24/22 Internal Audit Progress Report
Background Briefing on Vetting added to Work Plan for June 2023.
Close.
- 25/22 Statement of Accounts 2021/22
PFCC's office to draft letter to send regarding delay to requested LGPS pensions letter.
Remains open.
- 26/22 PFCC Risk Dashboard
JPe added column to show whether Police or Fire on Dashboard. Completed.
Close.
- 27/22 Work Plan 2023

7F Procurement Process. On Agenda for this meeting.

Close.

28/22 Effectiveness Survey Results and ToRs
Meeting held.

Close.

29/22 Anti-Fraud and Bribery Commitment
Cover sheet updated.

Close.

30/22 External Audit Tender
Letter sent to Home Office in December.

Close.

31/22 External Audit Tender
A discussion took place around the External Audit tender process. Grant Thornton will not be tendering for the external audit work. This item will remain open until after the discussions by the separate Audit Panel on 24 March.

Remains open.

02/23 Work Plan
Changes to Accounting Policies added to the Work Plan for December 2023.

Close.

5 Joint Audit Committee Work Plan for 2023

5.1 It was noted that the list of Background Briefings had been included. There were no other items raised.

6 Terms of Reference

6.1 JPe presented the proposed changes to the Terms of Reference, namely the publication of the minutes and papers; and the ability for the Panel to make decisions by email.

6.2 A discussion took place around the length of term for the Independent Audit Committee Members and it was confirmed that a Committee member could serve for a maximum of 3 terms (a term being 4 years).

6.3 PBI confirmed that there was a provision under the Local Government Act 1972 which precludes certain people from acting as an Audit Committee member and some wording to this effect will be added to the exclusions section in the terms of reference and in the job description for the Panel Chair that is being drawn up.

Action 04/23

An inclusion of a provision from the Local Government Act 1972 would be added to the list of people unable to serve as an Audit Committee member in the Terms of Reference.

7 Annual Review and Annual Statement

- 7.1 JS presented the Chair's Annual Report. After a brief discussion, it was suggested that GT would be amended to read 'Grant Thornton' and the heading 'Audit Panel' reference to the 'JAC supported the PFCC' would be amended to the 'Audit Panel supported the PFCC'.

Action 05/23

Chair's Annual Report to be amended as agreed.

RH left the meeting at 10:24.

9 Internal Audit Report – Progress Report

- 9.1 DH confirmed that 5 final reports from the 2022/23 audit had been issued, 1 draft report from the 2022/23 plan had been issued and the fieldwork was completed or a further review from the 2022/23 plan where the report is currently in the quality assurance process.
- 9.2 DH commented that there will be some minor changes to the proposed audit schedule which are currently being discussed between DH, DM and JPe.
- 9.3 JS commended the work done to get to the good results on the Key Performance Indicators page.

RH rejoined the meeting at 10:31.

- 9.2 ZH went through the 5 final reports ("ESMCP-Financial Impact", "Creditor Payments", "Special Constabulary-Recruitment and Retention", "Off Payroll Workers (Full Follow Up)" and "Follow Up").
- 9.3 A discussion took place around the "Follow Up" report around the Victims Code and the lack of evidence available to the auditors from the Force Control Room and Resolution Centre. It was agreed that the Force would look into the evidence requests from the internal auditors and provide it so that the testing can be carried out and the action closed.

Action 06/23

Force to provide the evidence requested by the Internal Auditors to enable testing to be carried out and the action closed.

- 9.4 A further brief discussion took place around the "Special Constabulary-Recruitment and Retention" report's reasonable assurance review.

8 Approval of Internal Audit Plan and Internal Audit Charter

- 8.1 DH presented the proposed 2023/24 Internal Audit Plan for approval.
- 8.2 After a discussion around the recent Casey Review, the recent Barristers' strike that had an impact on court proceedings, Target Operated Models and Cyber Review, it was agreed that: DM would be working with the Force around the proposed timings for approval, a Vetting standards and misconduct report would be scheduled for June's meeting (to cover the Casey Review and Ethics and Integrity), and the Cyber

Review would be completed after the Target Operated Models review. Subject to the amendments set out, the Plan was approved.

Action 07/23

Vetting Standards and Misconduct Report to be scheduled for June's meeting (to cover Casey Review and Ethics and Integrity).

10 Internal Audit Recommendations Tracker

- 10.1 DM updated on the progress of the recommendations and the summary sheet showing the outstanding reports was noted.

11 Statement of Accounts 2021/22 – confirmation of publication

- 11.1 JPe confirmed that the Statement of Accounts were published at the end of February 2023.
- 11.2 A brief discussion took place around the missing LGPS pension letter which has resulted in the Audited Accounts not being able to be published and how to lower the risk of this happening again.

12 Statement of Accounts – External audit contract

- 12.1 Not dealt with at this meeting. A separate meeting of the Audit Panel will convene after this meeting to address this item.

13 External Audit Progress Report and Sector Update

- 13.1 JB introduced herself as the new Engagement Lead at Grant Thornton.
- 13.2 Final Audit Findings Report for 2021/22
 - 13.2.1 PW went through the findings report and highlighted 2 changes to the key findings (revaluation of Chelmsford HQ and the Pension Fund letter issue).
 - 13.2.2 A brief discussion took place around the revaluation exercise on Chelmsford HQ and it was confirmed that all assets have been looked at as part of an overall assessment of the Force's assets.
 - 13.2.3 JP suggested that the medium priority recommendations that were left over from last year be put onto the Tracker. Agreed.

Action 08/23

The medium priority recommendations from 2021/22 to be put onto the Tracker

13.3 Progress and sector update

- 13.3.1 PW presented the update for noting.

13.3.2 PW confirmed that the Value for Money full draft is being reviewed prior to issuing for comments. After a brief discussion, it was confirmed that any risks arising relating to the Value for Money reporting would be raised directly with RH and BJH rather than waiting for the annual report to be issued.

13.4 About Time report

13.4.1 PW presented the Grant Thornton report on the delayed publication of audited local authority accounts.

14 Risk Register

14.1 PFCC Risk Register

14.1.1 JPe confirmed that there were currently 6 red risks, 23 amber risks and 2 green risks as shown on the dashboard. JPe went through the exceptions to the risks with brief discussions on Risk 91 (Devolution), Risk 90 (Cost of Living), Risk 72 (Protection of vulnerable people and reduction in cycle of domestic abuse).

14.1.2 JP asked whether some of the risks could now be de-escalated and where would they go. It was confirmed that such risks could potentially be de-escalated onto the PFCC's Management Risk Register which has been developed in recent months.

14.2 Essex Police Risk Register

14.2.1 FH presented the report and updated on the current red risks.

14.2.2 Discussions took place around Op Hazel, delays in the Criminal Justice system and the electrification of the vehicle fleet.

14.2.3 FH highlighted the risks that have either reduced or de-escalated with brief discussions around each risk. FH also set out the 4 new risks that have been entered onto the Force's Management Risk Register.

15 Fraud and Debtors Write offs

15.1 None to report at this meeting.

16 Single Tender Actions

16.1 None to report at this meeting.

17 Discussion on legal, regulatory and policy matters

17.1 No items for discussion tabled.

18 Papers presented to the PFCC Panel

- 18.1 The papers presented at the Police, Fire and Crime Panel were included for reference and circulated with the papers for this meeting.

DH left the meeting at 1154.

19 Background Briefing – 7Forces Procurement Process

- 19.1 DL presented the overview to the 7Forces Procurement Process which included items on contract standing orders, policy, transparency, legislation, collaboration contracts, strategy, financial thresholds, due diligence, audit projects, governance of standing orders and contract reports.
- 19.2 A brief discussion took place around the National Procurement Statement and the pool of suppliers that are available to 7Forces and how Single Tender Actions are monitored and reviewed (any STAs over £50k have to be reviewed).

20 Any Other Business

- 20.1 After a brief discussion around the membership of the Committee, it was confirmed that the re-appointment letters for SF and JP will be issued by the PFCC's office confirming SF's appointment for a further term of 4 years and JP's appointment for up to a further 2 years.

Action 09/23

The PFCC's office to issue re-appointment letters for SF and JP confirming SF's appointment for a further term of 4 years and JP's appointment for up to a further 2 years.

- 20.2 It was also agreed that an inclusion of a provision from the Local Government Act 1972 would be added to the list of people unable to serve as an Audit Committee member on the draft Job Description for the new Chair of the Independent Audit Committees. It was further confirmed that RSM would be assisting with the recruitment process.

Action 10/23

An inclusion of a provision from the Local Government Act 1972 would be added to the list of people unable to serve as an Audit Committee member on the draft Job Description for the new Chair of the Independent Audit Committees.

- 20.3 As it was JS's last meeting, SF wanted to thank JS for his chairmanship of the Audit Committees which was echoed by JP and RH (who also wanted to thank JS for driving the work done around risk management which had meant that the reporting was in a very different place than previously).
- 20.4 There being no further business, the meeting closed at 1217.

Next Meeting Date (10:00 to 12:30)

- 16th June 2023