



JOINT AUDIT COMMITTEE

DRAFT MINUTES

Date: 30 July 2024

Time: 10:30 hours

Location: via Teams

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| Members: | Simon Smith | Chair |
| | Ian Pinches Andrew Godman Lucy Sales Sophie Cook | |
| In Attendance: | Nick Dean | Chief Constable |
| | Darryl Preston | Police and Crime Commissioner |
| | Jack Hudson | Interim Chief Executive OPCC |
| | Phil Trussell | CFO for the OPCC |
| | Dominic Sutherland | RSM |
| | Nicole Guo | KPMG |
| | Elaine Fox | Principal Financial Accountant for the Constabulary |
| | James Sutherland | Superintendent Head of Organisational Improvement, Constabulary |
| | Les McCracken | Force Risk & Change Controller, Organisational Improvement, Constabulary |
| | Heather Sheldon | Senior Policy Officer, OPCC |
| | Nancy Leversha | Finance & Audit Manager for the OPCC |

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| 1. | Welcome and Apologies |
| | <p>Apologies were received from:</p> <ul style="list-style-type: none"> • Jane Gyford Deputy Chief Constable, • Jon Lee Director of Finance & Resources, Constabulary • Daniel Harris RSM • Wanda Khonjwayo BDO • Kirsty Toone Head of Finance, Constabulary • Cat Hemmings BCH Joint Strategy & Transformation. <p>SS welcomed everybody to the meeting and noted there were a few new attendees. Dominic Sutherland from RSM, Heather Sheldon Senior Policy Officer from the OPCC and Nicole Guo from KPMG.</p> <p>SS also wanted to record thanks to James Haylett Chief Executive who has now retired and congratulate Jack Hudson on becoming Interim Chief Executive. He also congratulated DP on his re-election.</p> |
| 2. | Declarations of Interest |
| | There were no declarations of interest. |
| 3. | Agreement of the minutes from the last meeting held on 23 April 2023 |
| | <p>The minutes were agreed as correct.</p> <p>The actions will be picked up later in the agenda.</p> <p>AG noted that on page 5 DH was going to review low level assurances to identify if there is a cross cutting issue about compliance with systems. SS asked this be brought back, DS stated he would look into and feedback to the next meeting.</p> <p>SS stated that Cat Hemmings (CH) from BCH was due to attend and provide an update but unfortunately, she is poorly, the committee wish her a speedy recovery. The committee would like to arrange a separate briefing with CH outside of the usual meeting cycle. ND added that he chairs JCOB and that considerable work has been completed for collaboration risk reports to flow through to force risk registers and we are in a much better position. SS stated</p> |

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| | the committee recognise that a huge amount of work has been completed from CH's report to the April JAC meeting. |
| | <p>Resolved</p> <p>(i) The minutes were agreed as correct.</p> <p>(ii) DH to report back on his review of low level assurance reports to identify if there is a cross cutting issue around compliance with systems.</p> <p>(iii) Separate briefing of committee by CH to be scheduled outside of usual meeting schedule.</p> |
| 4. | Internal Audit Progress Report 23/24 and Draft IA Plan 2024/25 |
| | <p>a. Annual Report – DS stated that the Annual Report opinions for 23/24 are second line which is the same 22/23. Cambs only reports issued in 23/24 were two substantial and three reasonable assurances. BCH reports issued were one substantial, three reasonable, one partial and one minimal assurance.</p> <p>SS stated that the committee noted that the BCH reports were variable in consistency and this noticeable variation makes the committee take notice. The committee feel that a lot of progress is being made and hopefully the committee can take more assurance following the briefing with CH.</p> <p>b. Progress Report – DS stated that 23/24 programme is complete and 24/25 has issued its first final report for Governance and one is out for management review, Medium Term Financial Plan.</p> <p>The 23/24 finalised reports are Capital Accounting and Fixed Assets which received a reasonable assurance with one medium and three low priority actions. The follow up report reviewed previously agreed actions and found reasonable progress had been made. Three medium actions have been restated. 7F Commercial Services – Procurement report received reasonable assurance with four medium actions. One action was re-stated following testing.</p> |

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| | <p>IP stated he had concerns with the system used by Procurement if it doesn't issue reminders of when contracts expire. He asked if a separate register is kept with expiry dates or whether we are entirely reliant on the 7F system. EF stated that the constabulary has access to the contract database and they have monthly meetings with 7F Commercial Services which includes contracts due to expire in the next nine months and anything that is out for tender. NL added that there is a separate register and a pipeline of contracts which is discussed at Commercial Executive Board and Strategic Commercial Board. ND added that 7F attend his FEB meeting and discuss the pipelines as well as existing contracts in train.</p> <p>LS added that she was surprised about the findings in the report around approval routes and signatures and asked ND about his level of comfort. ND answered that this is well embedded in Change Management Boards and the chief officers sit on the board as well as the constabulary scrutinizing expiry dates and progress, so he is well assured. Within each department there are monthly meetings between 7F Commercial with Departments Heads and Departments Heads will also hold suppliers to account with mechanisms in place to challenge any non-compliance.</p> <p>LS also queried with DS whether documentation was not provided or not able to be found. DS stated it was a mix of evidence not being retained or not found and it was a minority, so it was not too concerning. AG added the issue is whether evidence was not supplied and whether the appropriate levels of co-operation are in place. DS stated levels of co-operation are fine, it was the minority where documentation wasn't available. IP stated he doesn't want to overplay the point, but for absolute clarity it would be helpful if reports could show whether it is systems not providing information or whether officers are withholding information as that would have potential ramifications. DS stated he would take back to DH.</p> |
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| | <p>SS noted that the level of engagement the committee receive is always good. SS also noted that the committee rely less on the assurance scoring and find the narrative of reports more important, and that the committee didn't think the 7F Procurement report was very good as it is a main component in driving VfM. He stated that this will be picked up in the follow up in the usual way. SS also noted that the ICT Follow up had been issued in draft in May 2024 and this has been delayed, although Cambs are not the lead force it still affects them. DS stated RSM have a call with Herts on 31 July to finalise this report. SS stated we have protocols in place and yet this is still more than two months after the report was supplied in draft. He asked DS if any changes to the 24/25 plan. DS confirmed no changes currently.</p> <p>IP asked in the context of delays in management responding outside of Cambs are we able to influence this. ND answered that yes, he will look into this. IP added he appreciates it is a difficult situation working in collaboration but there needs to be a constructive dialogue. The longer the gap between a report being issued and management responses the less value the report is, and it calls into question the willingness to engage in the audit process and helpful that ND will pick up the baton in these instances. ND added it is of benefit to all collaborated units and each force should be keen to get reports complete and he is happy to intervene. JH added that he will tie in with the BCH Chief Executive group to push too.</p> |
| | <p>Resolved</p> <ul style="list-style-type: none"> (i) The Committee noted the update. (ii) RSM to ensure internal audit reports specify where documentation is not provided in internal audits whether this was due to information not being available or officers withholding information. (iii) ND to speak to Herts about finalising IA reports in a timely manner. (iv) JH to speak to Beds & Herts CEOs about finalising IA reports in a timely manner. |

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| 5. | External Audit Update |
| | <p>SS stated that the committee had the benefit of a brief catch up with BDO and KPMG ahead of the main meeting.</p> <p>NG stated that KPMG are about to start the final audit and they have a timetable for September/October. The lack of previous year's audit will impact on this year's opinion, but KPMG do not expect any substantial work after Christmas 2024. SS stated KPMG being finished by Christmas however we know that processes need to be in place through legislative and regulatory hoops so external audit is still up in the air following the change of government. PT agreed the consultation is up in the air and the suggested deadlines have gone. SS noted that we are spectators in this and hope that we will know more in the coming weeks/months.</p> |
| | <p>Resolved:</p> <p>(i) The group noted the reports.</p> |
| 6. | Draft Statement of Accounts and Draft Annual Governance Statements |
| | <p>a. Draft Accounts - EF stated the draft accounts were completed by 31 May and the team are ready for final audit. EF stated that we will schedule a meeting for members to run through the accounts.</p> <p>PT passed on thanks to EF and team for their work to get the draft accounts completed on time. The draft accounts have an early reference to the external audit situation, so any readers understand that it is not within our control. EF stated the latest update from BDO is the VfM report is in senior review. SS stated the committee would associate themselves with PT's comment and that they have always found the finance team to be efficient and it should be widely appreciated. NG also added thanks to EF and team, her audit team have had good engagement and appreciates the frustration of having to service two sets of audit teams. IP echoed what has been said particularly with the external audit turmoil. The finance team have always delivered on time and in good order and this is genuine assurance from the finance team in place are delivering as usual, he added a big thank you. EF stated she would pass on the thanks to the team.</p> |

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| | <p>SS added the committee’s concern for the finance team is the working cycle with finite resources and this has been managed well despite the complications of the situation.</p> <p>b. Draft AGS’s – EF noted that the AGS’s will be finalised with the final accounts. SS asked at what stage will the AGS’s be published. NL stated the draft AGS’s for 21/22 and 22/23 are on the OPCC website with the draft accounts. The draft AGS’s for 23/24 will be published online following today’s meeting.</p> |
| | <p>Resolved:</p> <p>(i) The group noted the update.</p> <p>(ii) Schedule a separate meeting for JAC members for briefing on accounts.</p> |
| <p>7.</p> | <p>Operational Risk Register & OPCC Risk Register</p> |
| | <p>a. Operational Risk Register – ND stated that two risks have been mitigated or lowered, one for key ICT services and the other about compliance for control room training. High risk 372 includes assurance around our MTFs and the uncertainty from the new government funding, we have a tangible saving plan and ND is fairly confident this can be achieved. The risk mitigation is noted in the report which include BCH savings and efficiencies as well as the oversight boards and suite of papers that go to BCB for review and challenge. The pay sector increase announced yesterday will need to be included but all is in hand under JL’s leadership.</p> <p>Risk 492 targets for response times came about from the HMICFRS PEEL report and responding to the public. ND had explained measures put in place with the committee in their pre-brief and how mitigation for immediate response had been implemented. We have attained 50% within target of 15 minutes and there is oversight of calls that fall outside of this target but across the country this is not a level playing field. The HMI made a national recommendation for forces to agree a target but this hasn’t been completed. The 15 minute target has no science behind it and it is more important about what officers do when they get to an incident not simply how long it takes them to get there. We do monitor times in</p> |

order to take the pressure off the front-line. Professional judgement is 50% is where we are, and it fluctuates week to week. Considerable work has been completed since the HMICFRS report the latest information as of yesterday is 999 calls 94% and 101 93%, whereas during the inspection they were both in the 70% the severity has been lowered from high to medium. SS thanked ND and stated the overall paper showed risk is working well.

JS added that the way response times are recorded is very binary, 15 minutes and 1 second is a fail yet there is no evidence base and could cause disincentives where the targets are prioritised rather than the risk. Average response times are monitored, and a large proportion are met in 16 minutes and 17 minutes, the picture is more complicated but JS wanted to add some operational reassurance.

IP stated in respect to Risk 493 this is a sensible decision made by ACC Brunning but is there a potential risk of liability if officers don't have the right piece of paper. ND stated this doesn't mean that officers are not trained but they haven't been accredited by the College of Policing. From January 2025 there will be an extensive three-day accreditation process for all newly appointed control room inspectors. Cambs decision is that all control room inspectors will attend. There is no risk to the organisation.

IP noted that at 6.2 the list of responsible departments is difficult to track who is responsible as an individual so how do you know who to hold to account. LM stated the owners of the risks do appear in the system, and are included in the register provided, although the report that is produced for JAC doesn't include this information. SS suggested that no change was necessary.

SS asked what process is in place for the PEEL report to be used to connect to the risk register. JS stated the PEEL report is examined in many governance forums but mainly the Business Assurance Meeting (BAM) where the AFIs are considered and if there is a clear and specific risk, Risk Review Board (RRB) will capture the specific risk and both these

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| | <p>Boards are chaired by the DCC. SS stated that it seemed beneficial for them to have the same Chair.</p> <p>DP stated there is a legislative role for the PCC to respond to HMICFRS reports and BCB is where DP holds the Chief Constable to account. In terms of response times, he agrees that a national conversation is needed as when he speaks to members of the public they are not so interested in how quickly the police attend, but they are interested in quality of investigations. A blanket 15-minute target across Cambs would inevitably result in some measure of failure.</p> <p>b. OPCC Risk Register – JH stated that for further reassurance, he sits on both the BAM and RRB and anything that is highlighted will progress through to BCB. He also noted that the committee were asked at what interval they wish to review risk registers and whether they wish an alignment of the Operational and OPCC registers.</p> <p>The committee are aware of the evolution of the strategic risk register and it is well documented. We have been developing a new approach which is described in the report with the two appendices of the Governance Assurance Framework (GAF) and the risk register.</p> <p>The GAF lists the statutory duties, previously the old strategic risk register had everything dumped in it and it grew unwieldy. The process is statutory duties are identified on the GAF, if there are no arrangements then this could escalate into the risk register with a delivery plan objective and once BAU it is reviewed through the GAF. The new approach was taken to BCB last week. Our internal approach is for Extended Management Team to identify events/issues and if necessary, escalate up to a risk. The risk register has three strategic risks aligned to the OPCC strategic duties and scored accordingly. OPCC has three risks. This is the new approach, and we welcome feedback. LS congratulated JH on the work and stated it has come a long way in the last few months. LS can see how we are beginning to join the dots between strategic risks and mitigation and controls but asked whether we should consider 1st, 2nd and 3rd lines of assurance but</p> |
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| | <p>appreciates this is not a small task. JH thanked LS for useful feedback.</p> <p>AG agreed with LS and noted the work has been quite a journey. He stated it is pleasing to see that statutory duties and how they are met has been identified and there is a collective understanding, but not on how risks are managed. JH stated it has been a team approach. IP added it is a good piece of work and is clearly ongoing as governance challenges for collaboration either working as three or seven working together. IP is not convinced the BCH governance is complete and the challenge will be the review and how it works. JH agreed the collaboration arrangements are work in progress on our GAF and we will address to ensure there is mitigation or identify the risk.</p> <p>SS stated the members hope to have a briefing outside of the usual committee with CH and to be able to take assurance from that.</p> <p>In terms of what the committee want to see and when, the normal pattern was to see the operational and strategic risk registers twice each year, alternating between meetings and it would be good for this pattern to recommence. November will be the strategic register and January the operational register.</p> |
| | <p>Resolved:</p> <ul style="list-style-type: none"> (i) The group noted the report. (ii) JH to consider 1st, 2nd, 3rd lines of assurance for risk register. |
| 8. | Treasury Management Review 2023/24 |
| | <p>PT stated that the committee had received the Treasury Management Strategy Statement (TMSS) for 24/25 at the April meeting. This is one of the routine reports and very little change from the TMSS for 23/24. The review provides the final position for capital and financial borrowing, we borrowed less than anticipated due to delays in the capital programme and earned more as interest rates were good which mitigated some costs.</p> <p>AG stated the treasury indicators had been complied with.</p> |

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| | <p>Resolved:</p> <p>(i) The committee noted the update.</p> |
| 9. | Integrity Controls Report |
| | <p>JH stated this is an annual report presented to the committee and Panel which outlines the mechanisms in place for the PCC to hold the chief constable to account for ethics and integrity. Key developments progressed in the last year are scrutiny panels and the PEEL assessment for Cambs ‘using police powers and treating people fairly and respectfully’ graded as outstanding was in part due to the engagement with the scrutiny panels.</p> <p>IP noted there are a lot of Panels/Boards described and a picture to enable the reader to understand where they sit in relation to each other and which report into which might be useful. How do you ensure there is no duplication in time and resources looking at the same issues.</p> <p>SS added it is a really good report and a considerable amount of work with a number of bodies. A structure chart for the people involved in the system so they can see more clearly how their involvement contributes to the whole might also help to ensure there is no duplication and if there are any gaps. JH stated this is a useful point and a lot of the Boards mitigate against the statutory responsibilities, if there appears to be a level of duplication it is because meetings are tactical and strategic levels. For example, ICVs have monthly meetings where they can raise issues, if the constabulary do not take these onboard then this can be escalated if necessary. JH will consider developing a structure chart.</p> <p>AG stated it is an interesting report that helps us to understand the lines of assurance however, it is information not assurance as this describes the structures but there are no outcomes, so it is difficult to take assurance.</p> <p>DP stated these are well made points and he will discuss with JH, and it will help him too. The purpose is to show how DP holds ND to account and this contains the mechanisms and controls. You could ask if my team with the ICVs and scrutiny panels are we doing too much, but public confidence is so important we cannot do too much at this time. Cambs are doing well with public confidence a survey conducted by Cambs County Council asked, ‘do you feel safe?’ and 85% of respondents answered that they felt either very safe or safe. To build the trust and confidence in the constabulary is worthy of investment and most of the panels are voluntary.</p> <p>JS added we have two separate data points, the PEEL inspection at a high level and the non-financial audit where we achieved a substantive assurance. From a user perspective JS can give assurance that this is a small area of work with the same people undertaking the scrutiny so there is not duplication. These people</p> |

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| | <p>sit on the relevant boards and ensure that lessons and work is included so it doesn't feel like duplication to us.</p> |
| | <p>Resolved:</p> <ul style="list-style-type: none"> (i) The committee noted the report. (ii) JH to consider developing a structure chart for the primary benefit of those working within the controls structure, to further demonstrate the importance and inter connections of each contribution. |
| 10. | Annual Report from Committee |
| | SS asked for ND and DP to adopt the report. They agreed. |
| | <p>Resolved:</p> <ul style="list-style-type: none"> (i) The committee noted the report. |
| 11. | Annual Fraud Report |
| | <p>EF stated this annual report follows on from an internal audit report on anti-fraud arrangements. We worked with PSD and there was one case of alleged fraud about a person not working their contracted hours, this was dealt with by HR and not as fraud. There were nine intelligence reports, but all resulted in no further action. A central fraud register has been developed, fraud training has been undertaken and finance now link with PSD to cross check against registered business interests.</p> <p>LS asked whether the fraud register was internally focussed or included 3rd parties committing fraud against the constabulary. EF stated it is work in progress so is internal currently but will include external as it is refined.</p> <p>IP stated it is good to see this is happening and the NHS Foundation Trusts are good at monitoring and reporting fraud, so it may be worth looking at their reports. An area IP is aware of is people going off sick to work another role elsewhere. EF stated there has been a big increase in registered business interests but these have been low risk but something that she will look at.</p> |
| | <p>Resolved:</p> <ul style="list-style-type: none"> (i) The committee noted the report. |
| 12. | Summary of meeting |
| | SS stated it had been a helpful meeting with the ongoing external audit situation and the committee continue to be interested in BCH governance and risk and will look for assurance outside with CH. |

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| | <p>Action 1 – remains outstanding.</p> <p>Action 2 – remains outstanding.</p> <p>Action 3 – addressed, close.</p> <p>Action 4 – NL to chase up response.</p> <p>Action 10 – Governance report finalised and will be sent out to members, closed.</p> <p>Action 11 – Committee agreed to retain normal pattern of alternate reporting, closed.</p> |
| 13. | AOB |
| | NL stated that she had received an email about external audit backstop dates that she would share with members. |
| | <p>Resolved:</p> <p style="padding-left: 40px;">(i) The committee noted the update.</p> |
| | Date of Next Meeting |
| | The next meeting will be held on Monday 30 September 2024 at 2pm. |
| | <p>Scheduled Meeting Dates</p> <p>Tuesday 5 November 2024 at 10.30am</p> <p>Tuesday 4 February 2025 at 10.30am</p> |