



JOINT AUDIT COMMITTEE

DRAFT MINUTES

Date: 04 February 2025

Time: 10:30 hours

Location: via Teams

Members:	Simon Smith	Chair
	Ian Pinches Andrew Godman Lucy Sales Sophie Cook Amna Rehman	
In Attendance:	Nick Dean	Chief Constable
	Darryl Preston	Police and Crime Commissioner
	Jack Hudson	Interim Chief Executive OPCC
	Phil Trussell	CFO for the OPCC
	Jon Lee	Director of Finance & Resources for the Constabulary
	Daniel Harris	RSM
	Katie Henry	KPMG
	Kirsty Toone	Head of Finance for the Constabulary
	Ian Lombardo	Chief Inspector Organisational Improvement, Constabulary
	Les McCracken	Force Risk & Non-financial IA Controller, Organisational Improvement, Constabulary
	Elaine Fox	
	Nancy Leversha	Finance & Audit Manager for the OPCC

1.	Welcome and Apologies
	<p>There were no apologies.</p> <p>SS welcomed everybody to the meeting. IL introduced himself as the representative from the OIC standing in for Supt Dave Taylor.</p>
2.	Declarations of Interest
	There were no declarations of interest.
3.	Agreement of the minutes from the last meeting held on 5 November 2024 and Extraordinary meeting on 3 December 2024
	<p>The minutes were agreed as correct for both 5 November 2024 and 3 December 2024.</p> <p>Matters arising 5 November 2024, SS noted that had been a helpful update from BCH and there are a number of points to follow up with them by email ahead of the next Committee meeting on 1 May 2025. It will be useful to understand how the BCH responses fit into that meeting and their risk register.</p> <p>SS further noted that RSM had undertaken comparative work as requested and asked DH to pick up with agenda item 5b.</p> <p>SS noted the JAC ToR had been agreed and adopted at the last meeting and asked JH if he had yet considered the need for an external review of the committee's effectiveness and performance. JH stated this is under consideration but there are a number of factors. SS stated he appreciated there is a timing issue with the whole dynamic of a number of committee members changing and will bring up succession planning as AOB. DP asked whether a review is commonplace or best practice as he was concerned about the resource implications for a purely bureaucratic process unless there is real value to a review. SS stated he is on committees with similar functions and there is some form of review but appreciates there is little value in a routine review and timing of any review if key as membership changes take place. SS added that he and other members found the last review helpful. For further consideration outside of the meeting and linked to AOB. JH stated he would review the last scope and consider alongside the planned recruitment.</p>

	<p>Resolved</p> <p>(i) The minutes were agreed as correct.</p>
<p>4.</p>	<p>Internal Audit</p>
	<p>a. Progress Report – DH stated that two Cambs only reports had been finalised. For BCH one draft report has been issued and two review are in progress with one last review scheduled to start later in February 2025. This is summarised on page 5 of the RSM report.</p> <p>DH added the BCH draft report on Innovation Framework was issued to Herts on 6 December 2024 and RSM await their formal response. DH stated that all remaining reviews are timed so should be included in final progress report for the next committee meeting in May.</p> <p>DH continued, there have been no changes to the Plan and so far, the opinions have mainly been positive opinions. If the outstanding BCH reviews start to have negative assurance opinions, DH will contact CFOs for any potential impact on his annual opinion.</p> <p>DH stated that new Global Audit Standards had come into effect in January 2025. RSM had undertaken a gap analysis and tweaked some of their processes/reports to remain compliant and have aligned to the Public Sector Audit Standards which they are compliant with.</p> <p>The two Cambs reports that were finalised were Budgetary Control with a reasonable assurance, which is similar to the last report in 2021/22, and the recommendations have already been implemented. The second report was Income/Debtors with a substantial assurance which is the same as the last report in 2019/20.</p> <p>IP asked if there is a known reason for the delay by Herts, as it is coming up to 2 months since the draft report was issued. DH stated there has not been a formal response. IP asked if it is appropriate for one of Cambs officers to ask what the issue is. SS agreed that it is appropriate and would be remiss of the committee not to challenge. JL added that it is difficult as the IA Protocol is not always followed and suggested that the Protocol is amended so that all draft reports are issued to all BCH CFOs. JL stated that he understands that Herts are formulating their response, but the timeliness is not great. DH and JL will speak offline about amending the Protocol. DH stated the amendment would be an enhancement of the arrangement and provide Officers with an idea of assurance level ahead of final reports. SS stated this is entirely in keeping with the message received from BCH leadership at our November meeting. AG stated that partners need to be reminded of the Protocol. In addition, sharing of draft</p>

	<p>may focus minds to finalise in a timelier manner or may show up some shortcomings in controls. LM stated that he had spoken to Herts CFO's PA who stated it is not practice to share draft reports, however if requested by Cambs JAC or other Board meeting, they will comply.</p> <p>SS noted that AG had requested a review of thematic issues for BCH audit reports over the last five years at the November meeting and that this had been circulated in December 2024. SS stated the action had been fulfilled and asked that the thematic report be added to May agenda for the committee to discuss.</p> <p>b. IA Plan 2025/26 – DH stated the RSM contract ends on 31 March 2025 and whilst contractual issues are in progress planning meetings have been postponed. The assurance map has been circulated for this meeting and any thoughts or suggestions are welcomed from committee members either during the meeting or outside. Ordinarily the draft IA Plan would be scheduled at this meeting, but he reassured the committee members that the planning meetings will be scheduled. SS asked if Officers could comment. JL stated that a proposal had been circulated by Herts OPCC and Beds and Cambs had agreed for consideration of a direct award to RSM as BCH are all content with RSM as our Internal Auditors. JL added we are waiting to hear any update. PT stated he will speak to Herts OPCC and find out where the contract negotiations have got to. SS stated that the committee members are unanimous in support of a direct award to RSM. SS stated that it is important for members to have their input into the Plan. SS suggested that a separate meeting with management, committee members and RSM be scheduled once further developed.</p> <p>IP noted the Capital Programme had not been looked at for a number of years and that the new station build had not been discussed for a while and asked whether this should be in 2025/26 Plan. AG agreed with SS that it is the committee's remit to comment on the plan.</p>
	<p>Resolved</p> <ul style="list-style-type: none"> (i) The Committee noted the update. (ii) Cambs Officers to speak to their counterparts in Herts about progressing the Innovation Framework draft report as soon as practicable. (iii) DH and JL to speak about amending IA Protocol so all BCH CFOs receive a copy of draft IA reports. (iv) NL to add RSM thematic report to May Agenda. (v) PT to speak to Herts OPCC and find out where RSM contract

	<p>negotiations have got to.</p> <p>(vi) NL to schedule a meeting with RSM, Committee members and management (JH, PT and JL) to discuss 2025/26 IA Plan once further developed.</p>
5.	External Audit Update
	<p>KH stated that four documents had been circulated but these should be taken as three papers. The IS260 report, the draft Annual Report which is public and draft opinions for the Chief Constable and PCC financial statements which are to be signed prior to the backstop date. KH stated the majority of the audit has been completed and thanked EF and JL for their work.</p> <p>In the ISA260 Report page 6 references three significant risks.</p> <ul style="list-style-type: none"> • Management override. • Valuation estimates for buildings is being disclaimed and pension valuation is currently work in progress, but KH is confident there will be no material errors and KH has no concerns to report. • Expenditure recognition, no issues have been identified. <p>The financial statements opinions will be disclaimed due to issues from previous years.</p> <p>Page 7 shows a change to materiality for the PCC.</p> <p>KH stated the Value for Money report did not identify any risks.</p> <p>Page 19 provides a narrative about the backstop and how the reset environment will be scheduled.</p> <p>Page 25 shows proposed fee variations and there may be further impact with regard to opening balances to be discussed with management.</p> <p>KH stated the Annual report is published alongside the accounts.</p>

IP acknowledged the useful and significant pieces of external audit work that the committee had seen in some years. IP stated that at some point the committee require clarity on the fees.

IP asked on page 13 about journal postings, accruals and segregation of duties, although not considered an issue by external audit, IP interested to hear commentary. KH stated that external audit takes an auditing standards view and report on deficiencies, of which there was no formal documentation. There are no control deficiencies and there is segregation of duties, and these are very common findings across public sector and there are no concerns for the committee. EF stated we do have segregation of duties; the accounting system does not stop the approver from amending entries but there are backup documents for all journals.

SC stated it is nice to have positive progress in external audit and noted we are in an odd position and asked for clarity and/or benchmarking of where external audit opinions might go in the next few years. KH stated that 2023/24 will be a disclaimed opinion. However, there is a range of disclaimed opinions from external audit have only managed to risk assess to the bulk of audit has been completed. Cambs is the best disclaimer that you can have. A lot of bodies nationally are not in this position. KH stated page 21 shows the indicative pathway for audits for the next few years.

2024/25 could be either a disclaimed or qualified opinion.

2025/26 will likely be a qualified except for opinion.

2026/27 is likely to be the first unmodified or 'clean' opinion.

EF stated the valuation for buildings we have drawn a line under for 2023/24 and will follow up with our valuers early on for 2024/25.

KH stated KPMG are using the same team for planning and as soon as the 2023/24 accounts are signed off, they will be planning for 2024/25.

JL reiterated SC's comments and stated it has been refreshing to have a proactive team. The reports are positive even with a 'least worse' disclaimer.

	<p>He asked KH if there is anything that he and his team can start sooner to move the audit of opening balances forward. KH stated the team will probably look at a similar timeframe to this year, but KH will look at dates of JAC meetings to ensure documents are received at the correct meetings. KH added that KPMG will look to agree a date for signing accounts and refresh the ISA260 as a final version for committee members.</p>
	<p>Resolved</p> <p>(i) The Committee noted the update.</p>
6.	Operational Risk Register
	<p>ND provided an update on risk 503 excessive 101 call abandonment rate and incomplete understanding of reasons for abandonment. Risk closed as extensive work was undertaken to understand why 101 calls were being abandoned and what happened to the calls. Initially to understand if calls redirected was a manual process, however, this is now an automated process which provides the Constabulary a good understanding for the reason for abandoned calls or channel shift. ND stated the abandonment rate in the last two days had been 13-15%. Clearly this issue links into trust and confidence of the public.</p> <p>Issue 372 that the Medium-Term Financial Plan is not balanced is high. The government settlement provided a 6% rise in funding however, there is net growth of £14m in 2025/26 budget. Savings of £5.5m have been offset against this. Since 2021/22 £22.1m savings have been taken out which will affect delivery. We have a balanced budget for 2025/26 however, there are gaps moving forward to 2028/29 of £7.5m. This issue remains high. The funding settlement provided more to the Neighbourhood Policing Guarantee totalling £2m for Cambs. This is a separate funding stream and will have tight parameters around what it can be spent on.</p> <p>AR asked for clarity on what the STRA/CAMSTRA process is. ND stated it is Cambs strategic risk assessment process which matches operational requirements across different departments against threats, opportunities and funding into our business processes. AR asked at which forum is CAMSTRA</p>

discussed. ND stated a number of meetings, that start with operational requirements from Department and Command leads to understand the funding context and culminates in 2-3 days face to face to formulate spending plans for the next year. This process has already started, and May will start to formulate the budget for 2026/27.

IP stated that as a general comment, he is impressed by the level of content in the paper. IP continued there are 16 risks and of these six (40%) mitigations do not significantly alter the scoring between initial scores and residual scores. IP asked if the effectiveness of mitigation is considered. IP added if the mitigation is not noticeable, at what point do the risks migrate to the strategic risk register. ND stated he will take this away to consider. In addition, ND stated that some of the risks and mitigations are outside of Cambs control. SS added the velocity of how the risks rise and effectiveness of the risk register process is key.

LS asked about risk and ICT contracts and procurement and if this is moving forward. JL stated procurement of all major contracts is carried out by 7F Commercial and they have pipelines of what is coming up. JL also chairs a Cambs specific board to understand significant contracts that are coming up. JL stated the DCCs meet regionally to provide 7F Commercial with a strategic steer. JL stated that the impact of mitigation is considered, although sometimes it is a judgement of waiting for the mitigation to 'bite' before we can reduce the score down.

LS noted the increased volume of referrals to PSD and although there is a challenge to resources, this can also be seen as a good thing, as it shows people have more confidence to report. LS asked if these types of opportunities are captured. ND stated the number of referrals has increased and there is an ongoing operation to assess where the streams of work and referrals into PSD come from. The Constabulary have undertaken a lot of cultural awareness work and prevent training to provide extra confidence for staff to report. The increased confidence has led to some of the increase in referrals. There is operational learning debrief after each investigation which feeds into the prevent training. ND continued that the OIC also monitor organisational learning

	<p>and it is a standing agenda item at both Force Executive Board (FEB) and SLT meetings.</p> <p>SS stated that the emphasis in the constabulary is very dependent on the first tier of management which takes a lot of resource to get it right.</p> <p>ND stated Issue 492 targets for response times are not met forms part of the wider inadequate grade by HMICFRS. Extensive work has been undertaken in responding to the public and a review of the immediate response with a 15-minute target report is due to be with ND imminently. ND stated there is evidence from other forces, that those that have removed the target has improved their response times. ND would like response to be as quickly and as safely and people to do the best job they can when they get there. ND is aware that the NPCC lead for response was trying to introduce a national target, but the majority of Chief Constables were not in agreement. If the target is removed response will be monitored.</p> <p>AG asked in terms of the McCloud Pension this is due to come to a head and asked if there was an update. JL answered that work has been progressing on a remedy. There have been different classes of litigation. Government have settled one of these which has set a precedent. However, there is the Penington claims which was a class action brought by the Federation and some individual claims. We are holding the risk until all the claims are settled as there may be an impact on forces. AG stated he understood the ‘crunch point’ was the end of March 2025. JL stated that is conclusion of the implementation of the rectification scheme, but the litigation is slower time.</p>
	<p>Resolved:</p> <ul style="list-style-type: none"> (i) The Committee noted the reports. (ii) ND to consider risk mitigation and lack of changes to residual risk scoring.
7.	Summary of Meeting and review of actions
	SS stated there has been a lot of actions created today.
	Resolved:

	(i) The committee noted the update.
8.	AOB
	<p>SS stated the committee members would like an early discussion on succession planning both the detail and in the round about the planned changes. SS suggested a meeting be scheduled with JH and JL to run through to provide a clearer sense of where the committee is heading.</p> <p>SS thanked DP for his attendance at today's meeting and asked if he had any comments. DP stated he agreed with JL about risk mitigation especially with regard to government funding which is outside of our control.</p>
	Date of Next Meeting
	The next meeting will be held on Thursday 1 May at 1.30pm.
	<p>Scheduled Meeting Dates</p> <p>Thursday 31 July 2025 at 10.30am</p> <p>Wednesday 5 November 2025 at 1.30pm</p> <p>Thursday 5 March 2026 at 10.30am</p>