



JOINT AUDIT COMMITTEE

DRAFT MINUTES

Date: 01 May 2025

Time: 13:30 hours

Location: via Teams

Members:	Simon Smith	Chair
	Ian Pinches Lucy Sales Sophie Cook	
In Attendance:	Nick Dean	Chief Constable
	Jack Hudson	Interim Chief Executive OPCC
	Phil Trussell	CFO for the OPCC
	Jon Lee	Director of Finance & Resources for the Constabulary
	Daniel Harris	RSM
	Jamil Khan	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
	Ruth Dodsworth	T/ACC BCH JST
	Nancy Leversha	Finance & Audit Manager for the OPCC

1.	Welcome and Apologies
	<p>Apologies were received from:</p> <ul style="list-style-type: none"> <li>• Darryl Preston, PCC</li> <li>• Andrew Godman, Member</li> <li>• Amna Rehman, Member</li> </ul> <p>SS welcomed everybody to the meeting.</p>
2.	Declarations of Interest
	There were no declarations of interest.
3.	Agreement of the minutes from the last meeting held on 4 February 2025
	<p>The minutes were agreed as factually correct.</p> <p>SS stated on page 2 there had been a discussion over an external effectiveness review, and it concluded that it was not the right time. The Committee have undertaken their own review using the CIPFA questionnaire and the results have been reported to Officers. JH stated the effectiveness review was really useful and JH, PT, JL and NL have discussed and are considering how to take forward, but it was very positive and useful.</p>
	<p>Resolved</p> <p>(i) The minutes were agreed as correct.</p>
4.	BCH Update
	<p>SS stated that to set the scene, the committee had received a very helpful update at the November meeting and the committee valued how the evolving BCH risk register had been presented. Following the meeting SS had sent an email with questions about how the risk register is used, the circulation of the register, how it has developed with the wider approach to risk in the collaborated space. The committee understand that the Cambs Risk Review Board (RRB) oversee the risks but where is the overview of the whole of BCH.</p> <p>RD thanked SS and stated the email had been helpful and stated the presentation would show the strategic risk framework and that RD would provide</p>

context. RD stated that she would like to tease out how best to meet the committee's requirements for assurance from BCH. In terms of the overall view, the BCH governance framework has developed so each Head of collaborated departments are in charge of their own risks, and they meet with JST on a monthly basis to provide updates. These are co-ordinated by JST into a quarterly report into the Joint Chief Officers Board (JCOB) where the Chief Constables can challenge and gain assurance the risks are being managed and mitigated. In addition, this report will also be going to the Strategic Alliance Summit (SAS) where PCCs will gain oversight of risk across the collaborated space.

Slide 2 provides an update on activity since November with the supporting governance structures and the monthly meetings are now all business as usual. Further development is required to judge how effective risk management has been and the impact of mitigation and to show the direction of travel and any impact. This allows for Heads of departments to also report on Issues and provides a pathway through JST to JCOB for oversight through performance reporting.

JST use the heatmap which is divided into quadrants for business areas. This is formally reported on a quarterly basis but can be updated for changes at the monthly meetings.

Strategic Risks have increased from one to three very high risks since November and the direction of travel will be added for context. Behind each risk is more detail. The existing very high risk relates to telephony systems and RD stated this is expected to be resolved and the risk level reduce in the next few weeks. There are two new very high risks, the first is in relation to Firearms Licensing where there has been a lot of focussed activity including 30% additional resourcing in this area. Throughput has quadrupled but this is an important public safety and reputational risk. This risk is being reported to Chief Officers on a weekly basis. The second very high risk is on digital forensics and the current operating model is impacting on compliance. A review of the current model has started and is due to report in June.

IP asked whether the reference to data storage in one force, does that affect the

impact in the other forces. RD answered as it is such a fragmented model currently that is difficult to answer. The review will provide us with an understanding of the current model and the results will provide us areas to inform decisions to move forward.

The remaining quadrants have two very high operational risks and two very high business risks.

JST co-ordinate a list of all the risks raised in the collaborated space by grading; high level, medium-high, medium and low. A further development to be reported in the future is the number of increased and decreased risks.

The process map shows how risks are identified from numerous sources and graded and reported through to SAS.

SS stated this sounds like a significant increase to co-ordination and visibility to JCOB and SAS, has this been a recent change. RD stated the Heads of departments have been reporting up to JST. The co-ordination and presentation and monthly monitoring have added to the scrutiny process and allows the Chief Constables to have assurance.

SS stated it is a complicated area and stated there is not an audit committee to have an overview and asked if that is a gap in the process. SS added that Cambs committee try to add value with no committee to look across the BCH arena. SS stated the committee think it is an issue and have raised to management to take forward. RD stated that JST will facilitate what they can and provide assurance to the Chief Constables. RD stated that the committee are not getting what they feel they need. SS stated it is the role to feed back their observations and raise with Officers.

IP stated there has been a huge amount of work completed, and it is a good piece of work. However, if everything was going right then there would also be positive audits, but the thematic report from RSM shows a steady increase in audits with negative assurance and little or poor progress. IP stated his challenge to ND is how do you gain your assurance that BCH is delivering and set up to deliver in the future the appropriate level of service. SS added that minimal

assurances have real world consequences.

IP stated they affect all three forces and the resident populations and they are real issues.

JH thanked RD for a useful presentation. He added that the source information would include internal audits and others and would like to understand where the visibility to PCCs would feature, is this now through SAS. Where risks do not belong wholly to Cambs such as Firearms Licensing, how does the OPCC track that through so collectively the three PCCs hold the three Chief Constables to account. RD confirmed the source includes any recommendations made from audit or HMICFRS and they are picked up at the monthly heads of department meetings. JST track to understand where the recommendations came from and to ensure risks and issues relate back to the original recommendation. JH stated this can be explored further at the BCH CEOs and JST meeting.

SS stated the thematic report from RSM highlights a marked disparity between Cambs and BCH audit outcomes. This is a cause of concern.

LS stated that to build on IP's point, is there somewhere that is aware of and looking at risk and what it means. Where does risk management sit with compliance and how do first, second and third lines of assurance work. It should not be audit as final line of defence. RD stated the heads of departments are dispersed across BCH but JST hold a collective overview.

ND stated that we have learnt over the past year or so and the quarterly performance in JCOB is aligned to the risk register. This is examined at JCOB, and performance is challenged if it features in risk register. We are moving in the right direction, and ND has more confidence about the scrutiny process. A huge amount of work goes on in collaboration which mitigates risk and keeps the public safe, there is lots of good work going on. As Chief Officers need to find savings over successive years, collaboration has had to find £3m in savings last year and this year. Collaboration started to fill the risk of capability and capacity gap, but when recommendations have a cost implication, that is a risk-based decision but must include affordability. ND stated that the Cambs RRB has an overview of

	<p>Cambs owned BCH risks.</p> <p>SS stated the committee are conscious of their limited role and they raise with management issues they see based on their experience in other organisations. We are here to raise issues, not point fingers. We are looking for explanations for the disparity, is it governance or culture but there is something that isn't quite right.</p> <p>JL stated this has been a useful debate. The committee needs to operate effectively and be able to scrutinise and challenge in the BCH space. There may be an opportunity to make more of SAS as the BCH risk management framework matures. JL stated it is interesting to compare locally, that risk goes through FEB to BCB to the JAC. In the BCH space, there is JCOB to SAS then it stops. Perhaps there should be a shadow audit committee or similar, but not sure what the appetite from Beds and Herts committees is. This would open up an opportunity for scrutiny and challenge. If not, then there could be an opportunity for a more in-depth assurance for the Cambs committee if it cannot get in the BCH space.</p> <p>SS stated he would defer to colleagues as there will be new people joining the committee and it may be helpful to them.</p> <p>IP stated the only mechanism for the committee is via the Chief Constable to provide constructive comment if we spot something that concerns us. We have no leverage, but what can you do or how can you influence what is outside of your direct remit. The ability to provide an effective check and challenge would be much better with three Chief Constables with an audit committee.</p> <p>SS stated the committee had discharged its functions as per the terms of reference which is important.</p> <p>DH stated that he was going to provide his update under agenda item 5a.</p> <p>SS thanked RD for her attendance and hoped that she found some benefit from the conversations.</p>
	<p>Resolved</p>

	(i) The Committee noted the update.
5.	Internal Audit
	<p>a. Thematic Report – DH stated that the report answered the question to look at the last five years and pull out the negative/advisory reports. However, to provide balance DH also reviewed the last five years annual reports and noted that in addition to the thematic report there were also 17 positive opinions. Some of these relate to advisory reports that had a number of significant issues and were followed up in year such as cyber where the follow up was good progress.</p> <p>This doesn't change the conversations, but it is important to recognise that other areas are performing well. SS stated the analysis was helpful.</p> <p>b. IA Plan 2025/26 – DH stated that no BCH Risk Management is shown on the plan but it will be covered under Corporate review as it is important to look at from a BCH perspective. JK stated the Plan has been developed based on the risk registers, RSM's knowledge of the sector and HMICFRS reports/recommendations. The Cambs only plan is based on risk and core assurance. The BCH plan starts on page 9 and will be updated with more information in due course, but the BCH meeting was only held earlier this week. RSM remain flexible and agile for any emerging risks. Page 14 shows the Internal Audit Charter and their responsibilities.</p> <p>LS asked on the BCH Plan 'Fraud Controls' who would be the lead force for this audit and how will that work. JK stated further discussions to develop the scope are required. JL stated there is new legislation due in September the Economic Crime and Transparency Act and JL is keen that we have a view against where Cambs sit against the new legislation and BCH is a big part of our business, so there has to be a BCH element. LS queried whether the constabulary is in scope of the legislation. JL stated it isn't completely clear however it is good practice to have due regard and use it as a framework. DH stated he had checked with RSM's Fraud Team and they stated it includes incorporated bodies and partnerships and the NHS are in scope. LS advised to take a pragmatic approach to the new legislation. JL thanked LS for her good counsel and stated that we would not over engineer this. DH stated there is an outstanding action about scope and lead force. The Protocol has been reviewed and updated for BCH reports and RSM can add a line for the three CFOs sponsors if no lead force. DH stated it is planned to bring the amended protocol to the next JAC meeting. PT and JH stated this was useful and nothing further to add.</p> <p>c. Progress Report – DH stated that the Follow-up completed all the Cambs only reports for 2024/25. The final three BCH reports are noted on page</p>

	<p>5. The Payroll and Expenses achieved a reasonable assurance opinion. The Value for Money report is out as a draft and expected completion next week. The Learning Needs Analysis is due to start in May 2025 and conclude quite quickly. DH stated he anticipates his overall opinion will be positive unless the remaining two reports are both minimal assurance. The Follow-Up report shows that 70% of recommendations have been implemented. The Innovation Framework review report is due to be discussed at the Herts audit committee that is to be rescheduled. The actions timescales may be completed by the time the committee meets.</p> <p>SS asked whether in any organisation that received a number of negative assurances, does that indicate that the first- and second-line controls are not working as well as they should be. DH stated that internal audit should not be identifying risks, however, there are areas that are audited whilst live risks are ongoing, and risks materialise during audits. DH added this is why audit recommendations are made around the requirement for dip sampling to check compliance.</p>
	<p>Resolved</p> <ul style="list-style-type: none"> <li>(i) The Committee noted the update.</li> <li>(ii) NL to add RSM BCH Protocol to next JAC agenda.</li> </ul>
6.	External Audit Update
	<p>KH presented the External Audit Plan which is the final plan. Page 3 shows the materiality scope which is consistent with last year. The Performance Materiality has lowered which should mean less sample requests for the Finance Team. There are two significant risks: management override of controls and valuation of pension liabilities, these are both consistent year on year.</p> <p>VFM starts on page 13 and although financial sustainability is still challenging in the public sector, KPMG do not consider this a significant risk for 2024/25. However, they have raised a risk around the HMICFRS PEEL Report and to ensure governance arrangements are in place.</p> <p>Page 25 shows the audit timeline and most of the audit is scheduled for June and July. The audit team remains the same.</p>

	<p>Page 26 shows the scale fees. KH stated that the good news is that we are in this place at this time.</p> <p>SS asked JL and PT for any observations. JL thanked KH for the plan and noted the fees had decreased a little from 2023/24 to 2024/25 and asked if that was due to the auditing standards. KH stated there were two additional standards included in 2023/24. KPMG are working through what is and isn't included in the PSAA scale fee, for example, the PSAA scale fee doesn't include Group accounts.</p> <p>IP asked are KPMG broadly happy with the fee arrangements in place. KH stated that this is not necessarily commercially favourable but that doesn't stop KPMG committing good quality staff to the audit. IP added that it is something for the organisations to consider if this is a sustainable arrangement with the PSAA or whether in future years, they look elsewhere.</p> <p>KH stated that she wanted to say thank you to the Finance Team as they have provided the requested information on a timely basis which means no additional costs due to delays which makes KPMGs job much easier.</p> <p>SS noted there have been changes in the Finance Team in the last couple of years and that is a testament to the culture and leadership which is reassuring.</p> <p>KH stated that KPMG are keen to finish their audit testing to enable the Finance Team to get back to business as usual as soon as possible.</p>
	<p>Resolved</p> <p>(i) The Committee noted the update.</p>
<p>7.</p>	<p>Strategic Risk Register &amp; Risk Management Strategy</p>
	<p>JH stated the risk register consists of statutory duties as well as business delivery. The risk register is reviewed on a monthly basis at the OPCC Extended Management Team (EMT) and sources such as the RRB, the BCH Strategic risk register through SAS and Business Assurance Meeting where recommendations from HMICFRS are tracked all feed into the risk register.</p>

	<p>There have been some amendments with two risks being closed, one on Victims support and funding is closed now the budgets have been set for 2025/26. The other risk was on major incident procedure.</p> <p>There are three statutory duty risks, the first is the PCCs ability to hold to account and we monitor and consider how effective our existing governance mechanisms are. JH noted that he had just picked up about the collaborative space and that will be added. The second risk is about the impact of the funding formula. The Spending Review is expected in June 2025 but we do not anticipate any changes to the funding formula, which the PCC continues to make representations to government.</p> <p>The third risk is the Net Zero/Sustainability agenda which is included in the PCC's Police and Crime Plan, and we continue to monitor.</p> <p>The OPCC risk is around resourcing and resilience. There has been a little bit of change, but there is more coming with the potential Mayoral model, devolution and Police reform. We have merged two risks together so that as a team we can be fit and ready for what comes next and have resilience within our lean structure.</p> <p>The Risk Management Strategy has been reviewed with one small amendment to the roles and responsibilities. This has been through BCB.</p> <p>LS stated the strategy has good information on risk management but asked where the thread for first and second line assurance was, as it wasn't clear. She suggested that a further sentence is required to show how it fits together with the compliance process. JH stated this is being fed into the annual integrity and compliance report that is coming to the next JAC meeting, once it has been through BCB and will also go the Police and Crime Panel.</p>
	<p>Resolved:</p> <p>(i) The Committee noted the reports.</p>
8.	Summary of Meeting and review of actions
	SS suggested that actions 2024-19, 2024-24 and 2024-28 remain open so we

	do not lose sight of these issues, but the remaining actions are all discharged.
	Resolved:  (i) The committee noted the update.
9.	AOB
	There was no AOB.
	Date of Next Meeting
	The next meeting will be held on Thursday 31 July at 10.30pm.
	Scheduled Meeting Dates  Monday 27 October 2025 at 1.30pm  Thursday 5 March 2026 at 10.30am