



JOINT AUDIT COMMITTEE

DRAFT MINUTES

Date: 05 November 2024

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
	Nicole Guo	KPMG
	Kirsty Toone	Head of Finance for the Constabulary
	James Sutherland	Superintendent Organisational Improvement, Constabulary
	Les McCracken	Force Risk & Change Controller, Organisational Improvement, Constabulary
	Rebecca McCullough	Head of Joint Strategy & Transformation, BCH Collaboration Team
	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>• Jane Gyford Deputy Chief Constable,</li> <li>• Rachel Brittain BDO</li> </ul> <p>SS welcomed everybody to the meeting. He asked the new JAC member Amna, to introduce herself. AR stated that she works at the Bank of England and has a background in regulatory bodies. AR also stated that she used to sit on Thames Valley Audit Committee but moved to the Cambridgeshire area and is looking forward to being part of the committee. SS noted that AR will be a great addition to the committee, as there will be members leaving over the next 18 months.</p> <p>KT also introduced herself to the committee as the new Head of Finance, reporting to JL.</p> <p>SS stated that he would like to amend the agenda slightly and take the BCH Collaboration update after the draft minutes.</p>
2.	Declarations of Interest
	There were no declarations of interest.
3.	Agreement of the minutes from the last meeting held on 30 July 2024
	<p>The minutes were agreed as correct.</p> <p>The actions will all be picked up through agenda items.</p>
	<p>Resolved</p> <p>(i) The minutes were agreed as correct.</p>
4.	BCH Collaboration Update
	<p>RM thanked the committee for the invitation and stated that she would provide an update on the current governance processes to deliver efficiencies in BCH and a second update on the risk governance process.</p> <p>The current operating model has moved from a 'lead force' model to a 'host force' model for the line management, wellbeing and day to day oversight of collaborated departments. Each department has its own governance board which is reported at a Tier 3 level to portfolio areas and the Service Transformation Board which reviews new requests for change, these are prioritised so that JST can manage the impact and alignment of resources.</p> <p>These portfolio boards report into the Deputy Chief Constables (DCC)</p>

	<p>Collaboration Board (Tier 2) monthly which is currently chaired by the Herts DCC. It also has a dotted line for two-way information flow to the 7F DCCs board.</p> <p>The Performance and Strategic Risk Reporting reports quarterly into the Joint Chief Officers Board (JCOB) (Tier 1) which is currently chaired by the Cambs Chief Constable. This board reviews the strategic direction of collaboration and VfM with a dotted line to the 7F Chief Constables. In addition, the Strategic Alliance Summit (SAS) chaired by the Beds PCC, receive a quarterly update to provide assurance to both Chief Constables and PCCs. The quarterly performance report into JCOB is a performance dashboard with metrics that align to service level agreements (SLA) and S22 agreements. A further link to individual force performance governance is being explored. Strategic risk management is reported to JCOB on a quarterly basis, this report co-ordinates all strategic risks across collaboration and includes horizon scanning and future work.</p> <p>RM outlined the business planning cycle. Q1 is where JST set the requirements for the process and review S22s and SLAs and current demand. Q2 JST analyse the data and identify areas for transformation and where pressures are, including financial pressures. Q3 is reviewed on a threat, risk and harm basis and proposals are taken to JCOB and JST work with CFOs to build the budgets for the following year. Q4 the budget is reported to SAS, any operating models are revised as necessary along with S22 agreements.</p> <p>RM then presented the BCH Collaboration Risk Management overview. RM stated that JST had worked to develop a framework to management of risk. This included descriptions for category of risks: strategic, business, operational and department. The framework has been presented to JCOB and JST act as a central co-ordination point for risk across BCH functions. There is a monthly steering group to review risks, and this may include horizon scanning. The Heads of Departments retain responsibility for managing and owning their strategic risks. As the framework has been developed, JST have developed a strategic risk classification to enable Heads of Department to manage their risks within the framework.</p> <p>RM stated that JST present a 'heat map' of medium-high to very high risks across collaboration and include the business, department and operational collaboration risks for a visual. There is currently only one very high strategic risk which relates to Herts &amp; Cambs telephony system failure due to obsolescence. There are four very high risks under the other categories, three of which are owned by MOPI and the final one is owned by Operational. RM also presented a process map showing the strategic risk process.</p> <p>SS thanked RM for her very clear and succinct presentation. He added this is the culmination of a great deal of work that has been undertaken. RM added it is an</p>
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iterative process, as it can always improve.

IP thanked RM and stated JAC was mentioned once in the presentation but there was no mention of Internal Audit and how do the processes provide reassurance to the CC and PCC. There doesn't appear to be any mention of OPCC oversight. He added that 'Audit outcomes' shouldn't be a source of risk. RM stated that this should be sources of information. IP continued by asking where the review of systems for assurance was, as it isn't explicit in the presentation.

LS asked whether some consultation/discussion was had over JAC involvement as it is difficult as members to check and challenge assurance for BCH reports.

RM stated that each of the three JACs is in a different position in how they wanted to be part of the process. These are internal processes but happy to share with JAC. RM stated that she will take away the question of how to improve links to JAC.

LS asked whether JST have considered whether a Joint BCH JAC is viable or whether Cambs JAC will get to see the BCH Risk register if not. AG added the question to be asked is how do the JACs want to be sighted but agreed that a lot of work has gone on to get to this point. RM suggested that once the papers have been presented to JCOB, the papers can be shared with JACs for oversight.

IP added his observation that there doesn't appear to be any oversight or feedback loop involving the OPCC. He added that the strategic alliance impacts on the OPCC role and it is the role of the committee to advise the CC and PCC and provide assurance, the process misses that fact. RM stated that it is reported on a quarterly basis to the Strategic Alliance Summit (SAS).

LS asked DH if there is a good practice governance model for collaboration nationally. DH stated potentially work completed by HMICFRS will pick up good practice. He added that on a regular basis RSM look at individual force risk arrangements, but it may be of benefit to review the BCH risk management which was last undertaken in 2021 and resulted in seven management actions. DH added there is wider assurance in that the BCH audit plan is focussed on risks and each committee sees those reports.

JH stated the OPCC do have oversight as the BCH risk report that goes to JCOB, the OPCC receives the papers and the papers that are sent onto SAS. In addition, there is a monthly meeting with the OPCC CEOs and JST to identify any issues from JCOB and can escalate if necessary. In force the Business Assurance meeting, the OPCC attends and has oversight.

DP stated that he cannot recall whether the ToR for SAS include oversight risk management. RM stated the Strategic Risk register hasn't been presented to SAS yet, but this would be a good development to the process.

	<p>JL added that in the Local government environment, where there are shared service arrangements he has seen, Management Board/Audit Committees with elected members from each of the partners and through their governance they would receive risk reports and sign off accounts for the shared service. He added he thinks this is driven by their constitutions but the appetite of the three BCH JACs is different. He stated the flow of information through to Cambs JAC for oversight would be welcomed. He also stated that he would be happy for an audit of the BCH risk management to be on the 25/26 IA Plan.</p> <p>RM stated that extensive research had been undertaken on good practice and the developed framework and process was from collating the best bits from multiple sources and developing the BCH process.</p> <p>SS added that it is the perspective of the Cambs JAC that @£35m goes into BCH, and very aware that it is not a separate legal entity, but the total budget is @£100m. This committee has not seen a strategic risk register previously and it has been a source of anxiety as the committee feel that we need to see the whole picture and the inter-relationship between risks. The lack of visibility is to be taken forward with how that feeds into the three JACs and how we want to operate. He suggested this may be an area that the CEOs may wish to review on what may be useful to them. He added he isn't completely clear how these structures mesh with Cambs boards like the Risk Review Board. RM stated that JST engage with local force risk leads and they discuss collaboration risks and allows for a two-way flow of information.</p> <p>SS asked what the implications of moving from 'lead force' to 'host force' are. RM stated that 'lead force' allowed a force more autonomy whereas the 'host force' is managed on a tri-force approach through the DCCs Board, which collaborated functions report into. This board has holistic oversight of collaboration.</p> <p>SS stated we see the Corporate Governance Framework for Cambs Constabulary which is a really useful document. He asked RM if there is a framework document for the BCH processes that she has outlined. RM stated there isn't a framework as such, each board has its own ToRs and the framework aligns to those Boards. RM stated that is something she will take away and consider.</p> <p>SS stated that it was a very helpful presentation and thanked RM for her attendance and answering all the committee's questions. RM asked whether Cambs JAC would like the Strategic Risk Register to come to these meetings. SS stated yes please and the committee will think about the type of format.</p>
	<p>Resolved</p>

	<ul style="list-style-type: none"> <li>(i) The Committee noted the update.</li> <li>(ii) RM to link with NL to provide BCH Strategic Risk Register for Cambs JAC.</li> </ul>
5.	Internal Audit Annual Report & Opinion 23/24 and Progress Report 2024/25
	<p>a. DH provided updates on the actions for RSM. Action 12 on review of low level assurance reports, there was only one in 23/24 which received a full follow up in year which concluded with good progress. This will be included in the 24/25 Annual Report. AG stated the action didn't relate solely to 23/24 but to review the last few years to understand where they relate to and whether collaborated reports are more likely to receive negative opinions. DH stated he will look back over the last five years comparing Constabulary vs Collaboration and share the results outside of the meeting.</p> <p>A14 relating to documentation not being provided, DH stated that it is difficult for RSM to judge if information is being withheld. They ask for information but if it is not provided, they conclude the documentation does not exist.</p> <p>b. Annual Report 23/24 – DH stated the last meeting received the draft report and the document was discussed fully. There were some assignments that were in draft in that version. This is now the final 23/24 annual report with positive opinions for both the CC and PCC.</p> <p>c. Progress Report – DH stated there have been two Cambs only reports finalised and one is in progress. The timings and scopes for the remaining Cambs audits have been agreed. For BCH there has been one report finalised where Cambs was the host force, there is one in progress with Herts as the host force. The remaining audits have their timing and scopes agreed. There are no outstanding reports in draft and the draft report was finalised in a timely manner.</p>

	<p>IP asked if all the reports are to have opinions or if there are any advisory reports. DH answered all Cambs only are opinion reviews. DH will check the BCH. IP added the VfM report is an important one for us.</p> <p>DH stated there have been no changes to the Plan. There was one report with a negative opinion for part of the audit, but nothing is of concern to DH at this stage.</p> <p>DH continued the three executive summaries are part of the report as usual. The Governance report did not identify any significant issues and gained a 'reasonable assurance' for both the Constabulary and OPCC. There was one medium action and six low priority actions. The MTFs audit showed comprehensive arrangements are in place including the rational for assumptions made, DH added these are usually missing but this was good practice in this audit and received 'substantial assurance'. The BCH Planning process and Accounting Support received a 'partial assurance' for the planning process part of the review and 'substantial assurance' for the Accounting support part of the review. There has been further progress made in planning focussing on transformational change and demand. This resulted in one high priority and two medium priority actions.</p> <p>SS thanked DH for his update and stated it was pleasing to see another substantial assurance opinion for Cambs.</p>
	<p>Resolved</p> <ul style="list-style-type: none"> <li>(i) The Committee noted the update.</li> <li>(ii) DH to check if BCH audits for 24/25 are opinion reviews or advisory reports.</li> </ul>
6.	External Audit Update
	<p>NG stated that KPMG had provided a short progress report for 23/24, but work is progressing well and there is nothing to report at this stage. A report on the ISA will be presented at the February meeting with an annual report and audit conclusions are due in April 2025. There has been a change to the materiality amount but that will not impact KPMG's approach.</p>

	<p>SS asked JL about the BDO update. JL stated that he had spoken to Rachel Brittain and the new government are continuing to push the backlog and reset arrangements and BDO are working to the backstop date of 13 December 2024. We have scheduled an extraordinary JAC on 3 December for BDO to present their joint planning and audit report for 21/22 – 22/23 and also the VfM work. This is not the same full audit the committee are used to receiving but fulfil the statutory requirement. There will be the knock-on effect for KPMG as they cannot take any assurance from the opening balances so we could be looking at modified opinions for the next couple of years.</p> <p>SS asked whether there had been any guidance about fees. JL stated he hasn't seen anything, but BDO can only charge for work they have completed.</p> <p>SS asked about the new relationship with KPMG and whether this was working well for Jon and his team. JL stated yes, the team are grateful that auditors are doing what they need to, which provides assurance for his team. NG stated that KPMG receive quick responses to their questions, and they have regular scheduled meetings, and she has no concerns.</p> <p>SS asked whether JL is content with the KPMG fees. JL stated that the scale fees are set by PSAA, and we have little ability to influence. The new audit standards have increased the work required by auditors and these will also be agreed through the PSAA. The auditors have had to increase their work to complete the additional standards, but the work may diminish in year two and the fees may also come down.</p>
	<p>Resolved:</p> <p>(i) The Committee noted the reports.</p>
7.	OPCC Risk Register
	<p>JH stated that the risk around poor funding remains high. The OPCC risk on resourcing remains at 12 as we await clarification from the government on their missions. Funding for Victims support services remains at 12.</p> <p>In terms of outstanding actions, A16 was to speak to the B&amp;H CEOs about timeliness of finalising IA reports, so it is pleasing to hear there has been an</p>

	<p>improvement.</p> <p>A18 LS had asked JH to consider 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> lines of assurance for risk. JH is content that 1<sup>st</sup> and 2<sup>nd</sup> lines of assurance are in place and reported into the PCCs Business Co-ordination Board. The independent assurance is progressing.</p> <p>A19 JH is looking to include outcomes in the 24/25 integrity controls report. Scrutiny Groups have been recognised as good practice, but we need to look at outcomes such as have the number of complaints reduced.</p> <p>SS thanked JH.</p>
	<p>Resolved:</p> <p>(i) The group noted the report.</p>
8.	Treasury Management Mid-Year Review 2024/25
	<p>PT stated the detailed paper had been circulated and he would run through the highlights. The drop in interest rates is good for us as we will have to undertake some borrowing so we'll be able to take advantage of falling rates.</p> <p>In terms of capital finance for Cambridge Southern Police Station (CSPS) and the operational training at Monks Wood (MW), CSPS is progressing well and we are on track to spend £16m less than budget. MW has been delayed into 25/26, so borrowing will be later for this project and has brought the capital financing requirement down by £20m. Capital spend is also down by £20m. PT stated he can assure the committee that we are well within authorised limits and the operational boundary, and he is comfortable with both.</p> <p>JL added there will be an impact on cash flow with more capital spend and he and PT are working on how best to manage this.</p> <p>IP asked if there is a squeeze on cash, can he have an assurance that there will be no negative impact on operational requirements. PT answered we intend to take out some short-term borrowing towards the end of this financial year which will help with our cash flow but we have a detailed cash flow analysis.</p>

	<p>IP asked how often cash flow is reported to the CC and PCC. JL stated that cash flow is part of his monthly revenue and capital report to the CC and this report flows through to BCB on a quarterly basis with JL and PT discussing in between BCBs.</p> <p>IP noted that Cambs hasn't needed to worry about cash flow historically.</p>
	<p>Resolved:</p> <p>(i) The committee noted the update.</p>
9.	Review of JAC Terms of Reference
	<p>SS stated that no comments have been made on the ToR and that committee members are content to approve and adopt.</p> <p>SS asked JH to consider para 3.24 which is for external review of the committee as this hasn't happened for a considerable time. The wording was changed from a specific time period to 'time to time' to allow Officers discretion.</p>
	<p>Resolved:</p> <p>(i) The committee noted the report and approved and adopted the ToR.</p> <p>(ii) JH to consider external review of JAC as per ToR 3.24.</p>
10.	Summary of Meeting and review of actions
	<p>SS stated that all actions addressed so content with them to be closed other than A19 which is for July 2025.</p> <p>SS added that the BCH update had taken up a lot of time but was important and that he felt it had been a worthwhile exercise.</p>
	<p>Resolved:</p> <p>(i) The committee noted the report.</p>
11.	AOB
	There was no AOB.
	Date of Next Meeting
	The next meeting will be held on Tuesday 3 December at 4pm.
	Scheduled Meeting Dates

	Tuesday 4 February 2025 at 10.30am
	Thursday 1 May 2025 at 1.30pm
	Thursday 31 July 2025 at 10.30am
	Wednesday 5 November 2025 at 1.30pm
	Thursday 5 March 2026 at 10.30am