



JOINT AUDIT COMMITTEE

DRAFT MINUTES

Date: 28 January 2021

Time: 10:30 hours

Location: via Teams

Members : Simon Smith Chair
Mike Hindmarch
Ian Pinches
Andrew Godman
Lucy Sales

In Attendance:

Nick Dean	Chief Constable
Ray Bisby	Acting Police and Crime Commissioner
James Haylett	Deputy Chief Executive for the OPCC
Matthew Warren	CFO for the OPCC
Jon Lee	Director of Finance & Resources for the Constabulary
Jo Conlon	Head of Finance for the Constabulary
Rachel Brittain	BDO
Matthew Weller	BDO
Daniel Harris	RSM
Karen Georgiou	SRO 7Force Programme
Dave Alexander	Programme Manager 7F Programme
Vicki Simms	Governance & Inspection Officer, Corporate Development Department
Nancy Leversha	Strategic Accountant for the OPCC

1.	Welcome and Apologies
	SS welcomed everybody to the meeting.
2.	Declarations of Interest
	No new declarations were stated.
3.	Agreement of the minutes from the last meeting held on 29 October 2020
	<p>The minutes were agreed as factually correct.</p> <p>Action 4(iv) SS noted that RSM had provided a monthly summary document which the committee have found extremely useful, and thanked Alan Grisley for the reports. SS asked DH if the reports could continue. DH agreed and stated he would pass the thanks onto Alan.</p> <p>Action 8(ii) JH stated he has reviewed the ToR and there are no specific links to the Nolan principles. However, all Constabulary staff and Officers work to the Code of Ethics and the OPCC staff to the Nolan principles. The meetings are set up to focus on specific reviews of policy/practice. JH asked what the committee would expect to see in the ToR and reminded the committee that an internal audit on Equality and Ethics is about to commence. SS stated that sounds a sensible approach.</p>
	<p>Resolved</p> <p><i>(i) The minutes were agreed.</i></p>
4.	Internal Audit Progress Report 2020/21 and Draft Internal Audit Plan for 2021/22
	<p>Progress Report – DH stated two Cambs only reports have been finalised with positive opinions. In the current circumstances with the majority of testing being conducted via remote working it is a credit to receive positive opinions. Payment & Creditors report is in draft but also has a positive opinion. The remaining audits are scheduled over the next six weeks and there are no issues.</p> <p>There have been two BCH reports finalised. The 7F Procurement report went through the Essex JAC and both the draft and final reports have been through the Procurement governance board. Risk Management has been finalised with a positive opinion. BCH Procurement the fieldwork is ongoing. DH gave a preliminary indication that some issues were likely to be revealed through the testing. Remote working audit should be completed by early April. All of these inform the opinion for this year. There are no other changes to the programme.</p> <p>Page 5 of the progress report notes that no negative opinions have been issued this</p>

	<p>year and DH expects to issue an unqualified opinion.</p> <p>SS stated the Risk Management report had been received yesterday and it was an interesting report.</p> <p>Draft IA Plan 2021/22 – DH stated this is an early draft and the final plan will come to the April meeting. DH asked the committee for any thoughts to be fed into the plan. The 2021/22 column has been updated following meetings with both the Constabulary and OPCC officers where good conversations had taken place. Some areas with a more recent assurance have been replaced with more pressing issues.</p> <p>Pages 8 and 9 show additional areas to be discussed at a future BCH meeting to decide on what makes the final plan. The process will go through the BCH CFOs meeting and OPCC Executive Teams ahead of the April meeting. DH wished to highlight the good engagement that had taken place in developing the draft plan.</p> <p>LS asked whether there were any trends and if they were moving in the right direction. She noted that the Major Projects received a partial assurance in 2018/19 with nothing else scheduled. DH stated there had been a follow up report to the Major Projects and there had been good progress in implementing the actions. DH stated he would check. VS added that this will also be included in the Business Planning audit commencing in February.</p> <p>IP asked if there had been assurance on CHIS payments.</p> <p>MH stated there is a gap which is the link to the BAF particularly if BCH and 7F have a BAF. Are the proposals benchmarked against the strategic risk register to identify gaps? DH stated RSM are receiving copies of the latest strategic risk registers to ensure linkages. The plan will go to the BCH CFOs with cross officer representations for input. The BCH will get agreed through the CFOs meeting.</p> <p>MH added with the PCC election, and post Covid, the 2022/23 plan, could look very different.</p> <p>JH stated the BCH Chief Executives meet fortnightly, so RSM can use this format for participation as JH is conscious of the timeline. DH thanked JH.</p> <p>DH concluded that the full report will have a fuller narrative and rationale for the audits. This will come to the April meeting. The CHIS question DH has noted and will go back on his notes but there may have been another form of assurance.</p>
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	<p>Resolved</p> <p>(i) <i>The committee noted the report.</i></p> <p>(ii) <i>DH to check back on notes re CHIS payments not being on draft IA plan.</i></p>
5.	<p>7Force Programme</p>
	<p>SS thanked KG for the comprehensive slides that had been circulated.</p> <p>KG stated she is the Senior Responsible Officer (SRO) for the 7F Programme and DA is the Programme Manager.</p> <p><u>Slide 2</u> shows the geographic spread and an extract from the S22 showing the purpose which was signed in 2017.</p> <p><u>Slide 3</u> shows the approach/purpose where each force has its own sovereignty and identity but also shared challenges both operational and fiscal plus a requirement to meet national standards and legislation changes. Individual forces could respond individually but the 7F builds resilience and diversity of thought to tackle shared challenges.</p> <p><u>Slide 4</u> shows a high level how the objectives match the Police and Crime Plan.</p> <p><u>Slide 5</u> – the governance framework is in the S22. The Eastern Region Summit meeting is quarterly and makes in principle decisions. The Oversight Group supports and holds to account the programme for delivery. These are underpinned by extensive governance arrangements where proposals move through. The programme publishes a monthly highlight report with high level risks and progress against the plan.</p> <p>SS asked whether the 7F had considered a risk review board at any point. KG stated the programme welcomed feedback and if there was a requirement for one across 7F it could be put in place, but this hadn't been suggested to date.</p> <p><u>Slide 6</u> outlines some of the challenges operating with multi organisation environment with 14 corporation soles on top of three existing collaborations all at different levels and different collaborated functions. The team have to be aware of the different governance arrangements and for example to access IT resources in Kent and Essex is a different process to BCH and the team have to navigate and manage these differences.</p> <p>There are different risk appetites, business cases take time to develop and what is affordable to one force may not be for another. There is no 7F infrastructure so the programme team help 7F BAU functions. They have learnt a lot from the 7F Procurement business case. They use the Treasury Case model and include detail on how they expect units will manage in BAU.</p>

<p>SS stated when BCH started there was an optimism bias, has this been driven out now?</p> <p>KG stated the Treasury case model allows for a rigorous process of testing assumptions, all the team are trained and there are robust processes in place. From the strategic outline business case through to the full business case the view of a proposal can change. We provide the best information at the time for decision making.</p> <p>SS asked if there was an opportunity in complex projects to set out the risks of not undertaking a project to provide a sense of balance. KG answered that in business case development there is always a 'do nothing' option and this will be explored. The 7 Chiefs have asked the programme to develop a forward-thinking vision and four-year programme ahead of the PCC elections. The financial climate increases the risk of not doing things.</p> <p><u>Slide 7</u> shows some headline deliverables since the programme went live. The benefits are both cash releasing and non-cash releasing. Driver management was a compliance issue and the benefit is reduced insurance.</p> <p><u>Slide 8</u> Procurement was the first big initiative across the region and indeed in the country. They deal with contracts over £50k. The business case was based on £10m savings over four years. The new Head of Procurement has reviewed the pipeline and reduced this down to £8.455m over four years. There are valid reasons for the adjustment and the benefit to Cambs is forecast at £928k and there will be more opportunities in addressable spend.</p> <p>JL stated that he has not shown the Procurement savings in the medium term financial plan at this time. He will include them once the savings have been delivered. The pipeline has been refined over the last 3-4 months with the information from Procurement becoming more detailed. As an example, Construction consultancy –a framework is being procured but this is unlikely to deliver the savings stated in the pipeline as we are in the process of delivering a major build of CSPS which is not normal spend, we are spending more on this which we won't in future years. Therefore, we are looking for cash savings rather than cash avoidance.</p> <p>KG added the Strategic Head of Procurement is acutely aware of the need for information being accurate and timely. The programme is about to launch a post implementation review for Procurement and she was sure many lessons will flow out.</p> <p>LS asked the 7F Procurement IA report was reasonable assurance, how do the committee do the right thing for Cambridgeshire in light of the other Forces. Under £50k is down to individual forces, what is the risk perspective and VFM perspective. Is there a collaborated register for spend with suppliers?</p> <p>KG stated the Head of Procurement would agree. JL asked that any concerns could be</p>

	<p>fed through him. He also has concerns but awaits the draft BCH Procurement report.</p> <p>NL stated that Procurement had offered to attend a JAC meeting and could be invited to the next meeting.</p> <p>LS stated the 7F Procurement report had noted an issue where a contract had been executed prior to signature and how has that been addressed. KG stated the Strategic Procurement Governance Board is tracking all the actions.</p> <p>JL stated he believed the issue had been caused as part of the 7F transition and it is a 7F issue to track and manage contracts over the £50k threshold. He also suggested to wait until the BCH Procurement report is finalised to invite the Head of Procurement to the meeting.</p> <p>LS stated our remit is risk management, is there some thinking about JACs providing assurance for their own forces. KG suggested dealing outside of the meeting. SS agreed to be the contact. He added we need to have a holistic view without creating a disproportionate amount of work but do need to minimise the risk of gaps in assurance.</p> <p>KG continued PEQF is now closed and Forces are implementing. This was a shared challenge where forces came together to develop a response.</p> <p><u>Slide 9</u> shows the programme of work. The Forensic Case Management FBC was approved on 14 January. This is a national requirement and we are positive about the solution. Vetting developing standardisation technology in a single case management system that is cloud based. This will use automated searches to populate the system and has been a significant process of development and collective investment.</p> <p><u>Slide 10</u> benefits based on five levels and have indicated the stage each project is at. We understand what is and isn't a benefit and categorise consistently. We have an agreed approach to report benefit delivery back to stakeholders which was agreed in March 2020 so doesn't include Procurement. The Home Office have been complimentary about our approach.</p> <p><u>Slide 11</u> shows the sub-categories for benefits. We use the registers as tools linking performance against benefits and these will be reported.</p> <p><u>Slide 12 and 13</u> show costs and Cambs contributions. Currently have a £300k underspend on budget due to losing resources going back to forces to deal with Covid.</p> <p><u>Slide 14</u> shows additional costs to Cambs for contracts or BAU.</p> <p><u>Slide 15</u> highlights the risk management strategy and risks at a high level are monitored at the Programme level Board.</p>
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	<p><u>Slide 16</u> gives an example of some red risks.</p> <p>SS thanked KG and DA and stated there is a lot of information but asked the committee if there were any questions. KG and DA left the meeting.</p> <p>JH stated this shows that although policing is 98% the same, the 2% difference makes a big difference when trying to work as a collaboration.</p> <p>SS stated the different risk appetites and impact on decision making are a challenge. JH added that the starting point each force was at also has an impact. The question we are looking at is how does the 7F programme work – is it 7F or nothing? But there could be missed opportunities for 5Forces.</p>
	<p>Resolved:</p> <p>(i) <i>The Committee noted the update.</i></p> <p>(ii) <i>NL to invite Head of 7F Procurement to April JAC, following publication of BCH Procurement internal audit report.</i></p>
6.	External Audit
	<p>M Weller stated the report was issued in July 2020 as a draft report, there was a verbal update at the October meeting when Pension fund testing was outstanding and this report is a headline summary.</p> <p>R Brittain added the audit fee proposal has gone to MW and JL and will be discussing to gain agreement. RB will have to take proposal to PSAA to ratify but there is a duty to report to the committee. A second issue is timing, BDO would usually bring the plan to this meeting. However, due to the delayed sign off for 2019/20 we haven't managed to formulate a plan yet. It will be available for the April meeting. The national deadline for 20/21 financial accounts has not been set yet but it is likely to be 30 September but may be October or November. BDO will be auditing their NHS clients whose deadline is June so the earliest start would be July. We will also have to wait for the Pension auditor report too.</p> <p>SS thanked M Weller and R Brittain and asked JL if he had anything to add.</p> <p>JL stated we need to agree expectations. We were in a good position last year but the Pensions audit is out of our hands. We need to be realistic and agree timings but expect to be in a similar position again. In terms of the fees, there is an element that is recurring and some one-off. The Redmond Review acknowledged that fees had been driven too low to gain assurance and debate will continue.</p>
	Resolved:

	<i>(i) The group noted the report.</i>
7.	Operational Risk Register
	<p>ND presented the report which are the main organisation's high risks. 372 – Financial planning much has been done, there was a briefing to the Police and Crime Panel and their meeting on 3 February. A huge amount of work has been done and the budget is balanced for the next two years subject to Panel approval of precept.</p> <p>421 – we have received some funding to help IMD with an automated system.</p> <p>IP asked if we were compliant or not? ND answered he has regular conversations with the ICO and a full audit has just concluded. The Executive Summary has been through the Chief Officer Board and the DCC has called an extraordinary committee meeting to go through the recommendations. There were a lot of recommendations but quite a number are low level. The Head of IMD has provided assurance to the Chiefs on deletion tool.</p> <p>410 – pension liabilities are a complex area, and we understand there may be some resolutions in the next few weeks but the full remedy deadline is April 2022. The National Pay and Awards Team are keeping track of this.</p> <p>423 – HR the CARM system is now live and a snagging list is going to the Chief's Board next week. iLearn has been delayed to ensure integration in the BCH organisations.</p> <p>SS thanked ND and asked if there were any questions.</p>
	<p>Resolved:</p> <p><i>(i) The group noted the updates.</i></p>
8.	HMICFRS Published Reports
	<p>SS asked if there was anything to add to the paper or is there were any questions. He added it is helpful to add context. VS asked if this was required on a quarterly basis. SS stated quarterly or half yearly, dependent on the number of reports.</p>
	<p>Resolved:</p> <p><i>(i) The committee noted the report.</i></p>
9.	Force Management Statement
	<p>ND stated this years FMS is in train. There is a requirement to submit to HMICFRS by May 2021. The draft will be submitted by February ahead of the deadline.</p> <p>SS stated we need to keep up to date with the FMS and how it relates to the rest of the</p>

	<p>business processes. It would be useful to have some visibility over aspects particularly risk-based issues.</p> <p>ND stated a high-level summary can be brought to April meeting.</p> <p>AG added as a conceptual framework and how it fits with risk, objectives, ambitions and how it fits together.</p>
	<p>Resolved:</p> <p>(i) <i>The committee noted the update.</i></p> <p>(ii) <i>High level summary of FMS to be added to April agenda.</i></p>
10.	PCC Election Transition
	<p>JH stated we are working on a May election despite the uncertainty reported by the media. There is a new risk on the strategic risk register for the relationship between the new PCC and Chief Constable. ND and JH have signed an election protocol based on transparency and fairness. We try to place as much information as we can on a specific webpage. JH is currently developing a briefing for the new PCC with roles and responsibilities and what the office does – scene setting. We conducted a briefing on the budget for Police and Crime Panel members and the presentation and questions and answers have been published. A briefing is scheduled for declared candidates at the end of March.</p> <p>SS stated this was a helpful paper and as and when the new PCC is in place it would be good to have a meeting to highlight the role of the committee.</p> <p>ND added that there is also a commissioned review on the role of PCCs which will provide a framework to work within. Part 1 of the review should be concluded soon.</p> <p>RB added it is vital the new PCC knows their remit and his advice to them would be to listen and gather information before making any decisions.</p>
	<p>Resolved:</p> <p>(i) <i>The committee noted the update.</i></p> <p>(ii) <i>Ensure meeting with new PCC and JAC is on 100-day plan.</i></p>
11.	Summary of meeting and review of actions
	<p>SS summarised the 7F presentation was the centrepiece of the meeting and there was a lot of information to take in. Thanks to all.</p>
	<p>Resolved:</p>

	<i>(i) The committee noted the update.</i>
11.	AOB
	<p>RB stated the work that the committee do helps ND and himself to learn and look to the future. One constant over the last eight years has been MH who has come to the end of his tenure. The work and commitment shown has been a big commitment and RB thanked MH and others.</p> <p>SS agreed and added that during his term MH had served a number of Chief Constables and PCCs. This is the last meeting so would like to formally thank you from all of us, and SS shared and endorsed RB comments.</p> <p>MH stated there have been three Chief Constables, three PCCs, two Chief Executives and numerous members and we have gone full cycle as another election is due. The role is all about relationships and people make it work. MH gave his thanks and stated he knows much more about policing.</p> <p>IP noted there were a couple of items on the action log. SS stated these could be dealt with outside the meeting.</p>
10.	Date of Next Meeting
	The next meeting will be held on Thursday 29 April 2021 at 10.30 am via Teams.
	<p>2021/22 Meeting Dates</p> <p>Thursday 29 July 2021 10.30am, Conference Room 3, Police Headquarters/Teams</p> <p>Thursday 21 October 2021 10.30am, Conference Room 3, Police Headquarters</p> <p>Thursday 27 January 2022 10.30am, Conference Room 3, Police Headquarters</p>

Simon Smith