



JOINT AUDIT COMMITTEE

DRAFT MINUTES

Date: 13 August 2021

Time: 11:00 hours

Location: via Teams

Members:

Simon Smith	Chair
Ian Pinches	
Andrew Godman	
Lucy Sales	

In Attendance:

Nick Dean	Chief Constable
Darryl Preston	Police and Crime Commissioner
James Haylett (JH)	Chief Executive for the OPCC
Jon Lee	Director of Finance & Resources for the Constabulary
Jack Hudson	Head of Business Development for the OPCC
Rachel Brittain	BDO
Matthew Weller	BDO
Shalini Gandhi	RSM
Dave Alexander	7F Programme Manager
Vicki Simms	Governance & Inspection Officer, Organisational Improvement Centre
Nancy Leversha	Strategic Accountant for the OPCC

1.	Welcome and Apologies
	Apologies were received from Matthew Warren CFO for the OPCC, Jo Conlon Head of Finance for the Constabulary and Karen Georgiou 7F Collaboration Programme

	<p>Manager.</p> <p>SS welcomed everybody to the meeting and as a committee congratulated DP on his election and welcomed him to his first audit committee meeting.</p>
2.	Declarations of Interest
	No new declarations were stated.
3.	Agreement of the minutes from the last meeting held on 29 April 2021
	<p>The minutes were agreed as factually correct.</p> <p>SS recalled the conversation about under £50k Procurement from the April meeting and asked if there was an update. JL stated general orders have been published and processes have been amended. Cambs has a no PO no pay policy, and there has been reminders to staff involved in procurement activity about seeking 3 quotes for spend between £5k and £50k. New suppliers required documentation has been tightened and IA will be undertaking their follow up audit.</p>
	<p>Resolved</p> <p><i>(i) The minutes were agreed as correct.</i></p>
4.	7F Collaboration Update
	<p>SS thanked DA for joining us.</p> <p>DA stated slides 2-4 show the work that has been delivered and the benefits. Slide 6 shows workstreams that have not been progressed. Slide 7 shows current projects. Slide 8 shows the timeline for the current projects. Slides 9 and 10 show risks and issues tracked on a Programme and Project level. This shows the medium high risks for the Programme, there are no high Programme risks. Slide 11 shows the team budget for staff and consultancy. The team provides extensive support to 7F meetings. The PCCs committed to the current programme of work at the Easter Region Summit in July, however, they have agreed for the team to transition to a 7F Network. The transition budget and resources will be presented to the Eastern Region Summit in October.</p> <p>JH added that the differences across 7 Forces and 14 Corporation Soles along with existing collaboration projects, the slide showing projects not progressed shows the robustness of our governance and that there is considerable scrutiny.</p> <p>LS thanked DA for the presentation and asked in terms of the vetting BOT and potentially AI in the future, what policies are in place, are they on a 7F level or individual forces have their own? DA answered there is a 7F Policy Group which will</p>

	<p>draft 7F policies, but the local application is covered by local procedures. ND added there is a national Authorised Professional Practice (APP) for vetting, we have just appointed a Strategic Co-ordinator in Vetting to align various policies and procedures and maintain governance.</p> <p>SS asked what the process is behind the risk register. DA stated the risks shown are just the Medium-high but there is a matrix and procedure. The full risk register has much more detail, this is just for presentation purposes. The 7F Programme Board considers and monitors risks.</p> <p>SS thanked DA for his attendance.</p>
	<p>Resolved</p> <p>(i) <i>The Committee noted the update.</i></p>
5.	Draft Statement of Accounts 2020/21
	<p>JL stated there are three sets of draft accounts, one for the Chief Constable, one for the PCC and a Group set. Key dates are draft accounts to be completed by end of July, this was achieved even with the team working remotely. Final Accounts deadline is the end of September. The Public inspection period started on 19 July for a 30-day period which ends on 27 August. Nothing has been brought to JL's attention.</p> <p>A briefing was held for JAC members on 29 July. In terms of key numbers from the Group accounts:</p> <p>Income & Expenditure £186m deficit mainly due to the Pension fund and accounting entries.</p> <p>Balance sheet the debtors and creditors are higher than previous years as Cambs received a national ESMCP Grant of £18m to be administered. Overall there is a net liability of £1.7bn linked to the pension and this is standard in all Public Sector accounts and is consistent with 2019/20.</p> <p>There was a slight decrease in useable reserves as there was planned use of the Capital reserve. We were able to top up some earmarked reserves from an underspend at the year end.</p> <p>The Audit has started and is progressing well, sample testing is underway and likely sign off will be in October/November which is the same as last year due to the Pension Fund audit at the County Council not being complete by September.</p> <p>SS thanked JL for the updates and the helpful presentation, he added that the committee noted the excellent work by the Finance Team.</p>

	<p>RB confirmed the audit had started and was progressing well. Normally there would have been an earlier visit but everything has been condensed this year. All the systems work is complete, other testing is underway. The County pension auditor has been in contact and RB is hopeful that October or early November for sign off is achievable and the audit is on track. The 30 September deadline is unachievable and a lot of public bodies will not make the deadline. BDO have just undertaken a big recruitment drive so will be fully resourced for next year's audits.</p> <p>MW added he has nothing further to report to the committee at this stage.</p> <p>SS stated last year's performance was very good in comparison with the sector and sounds like we are in as good a place as last year.</p>
	<p>Resolved:</p> <p>(i) <i>The committee noted the updates.</i></p>
6.	<p>Treasury Management Review 2020/21</p>
	<p>JL stated there is a Treasury Management Code and Prudential Code which provide a tight framework to operate within. Changes to the ability to borrow for commercial property have been in the news, but we haven't done this. There are three reports the Strategy that comes at the start of the financial year, a mid-year review and an end of year review which reviews against expectations in the Strategy and reports any deviations from it. There is nothing significant to report and we have operated within the strategy.</p> <p>Page 2 shows capital expenditure, there was no land purchased although it had been budgeted for so the actual expenditure was less than budgeted. This also meant we didn't undertake any additional borrowing.</p> <p>Page 3 shows the PCC as £4m under borrowed, we will have to draw down more but this is a good position. We have not breached the authorised limit or operational boundary. Financing costs are 0.8% of net revenue stream. This will increase up to 2.19% which reflects the Capital Programme and no Capital Grant, so all borrowing has to come from revenue. Cambs has a history of low borrowing but with an ageing estate and operational requirements will drive borrowing up.</p> <p>Page 8 shows a budgeted investment return of £114k which was not achieved, £53k was achieved but we only invest in secure investments.</p>
	<p>Resolved:</p> <p>(i) <i>The group noted the report.</i></p>

7.	Internal Audit Annual Report 2020/21 and Progress Report 2021/22
	<p><u>Annual Report:</u> SG stated the Annual Report provides the totality of the IA work undertaken during 2020/21 and a positive green/amber opinion for both the PCC and the Chief Constable. Appendix B lists a summary of the work undertaken. The only negative opinion was BCH Procurement.</p> <p>SS asked if negative opinions could drag down the overall opinion and that the committee needs to consider the impact. SG stated RSM look at the opinion on balance and Cambs only were all reasonable or substantial assurance but a number of negative opinions could affect the overall opinion.</p> <p><u>Progress Report:</u> SG stated two Cambs only reports had been finalised: Estates Project Management and Risk Management. There are two BCH audits in progress. Appendix A shows some changes in timing with reasons.</p> <p>Estates Project Management achieved a reasonable assurance with four medium and one low priority management actions. The audit found there was a robust framework with monitoring and governance.</p> <p>Risk Management was a positive opinion, OPCC received a substantial assurance and the Constabulary a reasonable assurance. Four low and one medium management actions have been agreed.</p> <p>SS noted the medium action on how risk is documented and links to scoring is an issue of importance. SG agreed it is fundamental and they raise this in a lot of organisations.</p>
	<p>Resolved:</p> <p>(i) <i>The group noted the updates.</i></p>
8.	Operational Risk Register
	<p>ND stated the update is based on the red risks.</p> <p>The risk of cyber disruption has increased in recent months and various attacks nationally have been reported. There has been a whole host of compliance activity including BCH making full migration to 365 which offers extra protection. There is a table top exercise on 14 October with local and national experts and ND stated he was extending an invitation to a member(s) to observe the event.</p> <p>The risk of non-compliance with data protection has been an increasing issue but work is progressing under the Information Management Plan to enhance provision and ICT have secured a contractor.</p> <p>IP asked why ICT have been unable to undertake monthly deletions? ND stated he thinks</p>

	<p>it is lack of resources but will confirm.</p> <p>IP stated the previous risk is also of concern, it is high risk after mitigation so what is being done to seek external help for extra mitigation? ND answered there is a whole host of work being undertaken nationally and Andy Gilks from BCH sits on these boards, this is why BCH are ahead with the 365 migration. The exact details are not immediately to hand but ND is reassured through the national lead. IP added we see a high risk and it is operating outside of our comfort zone, so we are alarmed at the lack of evidence of mitigation articulated in the risk.</p> <p>LS thanked ND for the transparency and asked in terms of the Data Protection what is the scale of the risk – is it information requests and what numbers are you dealing with? ND stated he couldn't provide numbers but it is within manageable parameters.</p> <p>AG commented that if the force is holding data that it shouldn't is the implication based on old systems where new systems provide better automated processes. ND stated yes now when systems are procured MOPI regulations are built into the requirements, but legacy systems are the issue plus the legislations changes frequently. AG stated the Public Sector has always had more data than required.</p> <p>SS thanked ND and stated that the Committee need to bear this in mind when considering the IA Plan for 22/23.</p> <p>ND continued – Occupational Health has been under pressure – this is a national and BCH issue. We have suffered a number of vacancies and added pressure from Uplift. We have outsourced some of the provision to mitigate the risk and a full plan is due in the next two weeks with prioritised recruitment.</p> <p>LS stated there is also the pandemic and Mental Health (MH) problems along with safety of staff and reputational risk. ND stated there has been an increase in MH but we have maintained our psychological screening for priority areas such as child protection. One of the interview questions for recruits is about personal resilience. During the pandemic we had to scale back face to face but these are being done retrospectively.</p> <p>SS stated there was a positive audit opinion a few months ago but that mentioned a backlog of referrals and what level of staff are leaving? ND stated it is practitioner level staff and the backlog is reducing.</p> <p>ND continued Pension liabilities – JL has spoken about this previously. March 2022 is the new scheme start date.</p> <p>CARM system we have now appointed a Programme Manager and they have drawn up a snagging list with HR and working through this at a pace.</p> <p>AG stated Item 13 HMICFRS update provides details on a number of national reviews</p>
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	<p>and in some instances the recommendations are with immediate effect and highlight widespread failings, but how does this link with the risk and perceived under performance?</p> <p>ND stated HMI reports stopped work during the pandemic and now a number of reports have all been published. The National Police Chief Council (NPCC) have appointed a national co-ordinator of behalf of policing to consider the Violence against Women & Girls (VAWG) Black Lives Matter etc. There are also links to Serious & Organised Crime, Race, inclusion and Diversity following the updates from the McPherson report – which says we could have acted faster. An ACC has been appointed to lead an action plan.</p> <p>AG asked if a briefing session on the wider environment and background issues would be possible. ND stated that the Chief Officer Team has just presented to Senior Managers from the national/political landscape with Beating Crime to local risks and the focus on the corporate plan. ND stated he would be happy to run through this with members at the next pre-meet.</p> <p>SS stated that would be useful and provide the committee with contextual information.</p>
	<p>Resolved:</p> <ul style="list-style-type: none"> (i) <i>The committee noted the reports.</i> (ii) <i>Committee member(s) to be invited as an observer to a table top exercise on 14 October 2021.</i> (iii) <i>ND to find out why ICT have been unable to undertake monthly deletions.</i> (iv) <i>ND to provide environmental landscape briefing to JAC Members at October pre-meet.</i>
9.	Annual Report from the Committee
	SS presented the annual report agreed by the members. The report was approved.
	<p>Resolved:</p> <ul style="list-style-type: none"> (i) <i>The committee noted the update.</i>
10.	Summary of meeting and review of actions
	<p>SS stated the 7F perspective was useful. The progress of external audit provided reassurance and the committee had provided helpful challenge on the operational risk register.</p> <p>The actions were all discharged as complete.</p>

	<p>Resolved:</p> <p>(i) <i>The committee noted the update.</i></p>
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11.	AOB
	<p>JH stated the Committee Annual Report and the approach by the committee is helpful and they provide the right level of scrutiny and passed on his thanks for the productive relationship.</p> <p>SS thanked JH and stated feedback is always welcome.</p> <p>DP stated he would like to echo JH comments and the challenge and support for this his first meeting provides DP with a level of reassurance. The questions about risk and data protection were really pertinent questions.</p>
17.	Date of Next Meeting
	The next meeting will be held on Wednesday 20 2021 at 14.30 am via Teams.
	<p>2021/22 and 2022/23 Meeting Dates</p> <p>Thursday 27 January 2022 10.30am, by Teams</p> <p>Thursday 28 April 2022 10.30am</p> <p>Thursday 28 July 2022 1430 hours</p> <p>Thursday 3 November 2022 10.30am</p> <p>Thursday 26 January 2023 10.30am</p>

Simon Smith