



JOINT AUDIT COMMITTEE

DRAFT MINUTES

Date: 30 March 2017

Time: 10.30 hours

Location: Conference Room 3, Police Headquarters, Huntingdon

Members :

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| Nicola Scrivings | Chair |
| Mike Hindmarch | |
| James Morgan | |
| Nicola Mullany | |

In Attendance:

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| Dorothy Gregson | Chief Executive, OPCC |
| Matthew Warren | Interim CFO for the OPCC |
| Niki Howard | Director of Finance & Resources - Constabulary |
| Nick Bernstein | Ernst Young |
| Daniel Harris | RSM |
| Natalie Benton | Temporary Head of Corporate Development |
| Nancy Leversha | Strategic Accountant, OPCC |

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| 1. | Welcome and Apologies |
| | Nicola Scrivings welcomed everybody. Apologies were received from Neil Harris Ernst & Young, Suzanne Lane RSM and Jason Ablewhite PCC, Alec Wood Chief Constable, Alan Baldwin Deputy Chief Constable, Simon Smith Member, Mark Greenhalgh Chief Inspector Corporate Development. |
| 2. | Declarations of Interest |
| | There were no new declarations of interest. |
| 3. | Approval of the minutes from the last meeting held on 15 December 2016 |

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| | <p>The minutes were agreed and signed by the Chair.</p> <p>Nicola Scrivings thanked Nicola Mullany for her four years commitment and wished her well for the future.</p> <p>Niki Howard apologised for her absence at December’s meeting explaining it had been a medical issue.</p> |
| 4. | Review of Action Log |
| | <p>Action 40 Brief in relation to Client briefing. NL stated she had reviewed the briefing and all matters had been dealt with at previous meetings. Action discharged.</p> <p>Action 49 discharged. Internal Audit recommendation updates will now be scheduled for September and March meetings.</p> <p>Action 52 delivery plan in relation to how constabulary will deliver police and crime plan objectives. This is still be prepared as the Plan is challenging and transformational with a lot of work involved. The delay shows the aspiration rather than a lack of work. C/F to June meeting.</p> <p>Action 57 PSAA deadline was before Tri-Force meeting and we have now signed up. It was noted that only eight local authorities have not signed up to PSAA. Mike Hindmarch stated he had been briefed by External Auditors and would share the brief with members. Action discharged.</p> <p>Action 58 Police 2025 to be brought to a JAC meeting. It was agreed to circulate Police 2025 and the 7Force paper as this shows the mapping that was undertaken against the Police 2025 on a regional level, and any consequential actions will flow through the planning process.</p> |
| | <p>Resolved:</p> <p>(i) <i>The group noted the report.</i></p> <p>(ii) <i>Police 2025 and 7Force mapping paper to be circulated to members.</i></p> <p>(iii) <i>Mike Hindmarch to share PSAA brief with members.</i></p> |
| 5. | Internal Audit Progress Report 2016/17 and Audit Plan for 2017/18 |
| | <p>There have been two Cambridgeshire only reports finalised. One is in draft and one report is in progress. Substantial Assurance is given on both the Constabulary and OPCC</p> |

for Risk Management. There will be five reports finalised ahead of the June meeting.

Page 5 shows changes to the audit plan. Commissioning, Communication and Partnership has been removed. Covert Human Intelligence Sources (CHIS) has been requested following a new Authorising Officer coming into post and requesting a health check in this area particularly following increased focus nationally. The committee may receive a verbal update on a need to know basis, but Internal Assurance will be provided by RSM undertaking the audit and providing an assurance level. The committee were reassured that Constabulary have proactively requested this.

Appendix B provides a summary of the finalised reports.

Risk Management – substantial assurance is given. Two medium level recommendations are made which are enhancements. To add context Dan stated others in the country are not as advanced as our risk management processes. Dorothy Gregson stated we are looking at how we manage future risks and this is our priority and Internal audit is used as part of our assurance processes. Matthew Warren will be working on the development of our approach to future risk.

Appendix C provides a summary of finalised Collaborative reports.

Collaboration Governance – partial assurance is given. This was part of the internal audit plan. Dorothy Gregson stated that the red/amber gave added importance and momentum for BCH to commission an external review of Governance across BCH. A paper is going to the Strategic Alliance Summit 30th March 2017, recommending the current process is streamlined and a level of boards is removed to streamline the governance process.

However, there was recognition that the Cambs PCC and Chief Constable are supported and challenged by their own Audit Committee and that all six corporations had a role in governance of BCH and the review and ensuring recommendations are delivered should be considered by all three Audit Committees.

The committee mentioned at the Tri-Force JAC the Portfolio Office presentation showed an ambitious plan with a lot of slippage with projects not delivered. The impact and consequences on the MTFP are being felt now.

Discussions over culture and changes in risk appetite and too much emphasis placed on the Portfolio Office which have hindered delivery will be addressed by the recommendations in the Concerto review. This has commenced with the rotating chair of meetings stabilising with one chair for each JCOB and one chair for the BCH Strategic Alliance.

Dan Harris provided feedback from Herts JAC from 29th March where they stated they are keen to firm up the next Tri-Force JAC in six months' time. Beds are due to Chair the

next meeting.

It was agreed that Governance is not for Cambs only, but a Tri-Force matter. The Lead protocol may need to be reviewed in order for ownership to be taken.

The committee requested that a BCH common action plan be brought to the next cycle of JAC meetings in June.

Nicola Scrivings also raised that the Tri-Force JAC needs better defined terms of reference and clarity about its role. It has been discussed that the ToR will be agreed at the next Joint audit committee.

Firearms Licensing – Beds are the Lead force. Reasonable assurance is given. James Morgan raised a concern over an emerging picture regarding counter terrorism risk and firearms licensing. He appreciated this was straying into operational territory and it was agreed that James would email Natalie Benton outside of the meeting.

ICT Strategy – reasonable assurance given. Four medium recommendations are made. Concern was voiced that the ICT Strategy was a stand alone document and didn't connect with individual Police and Crime Plans.

NH stated ICT is a core enabler and the ICT Strategy was signed off at the highest level boards at a Tri-Force level. Much of the strategy links to shared platforms and building on this to allow joined up services to work effectively. There are some tensions versus the ambition in some PCC's plans which can be specific and require the architecture to underpin their objectives. James Morgan stated that Cambs are recognised as good practice within the Home Office and he is impressed by how its mobilisation work allows officers to work in a different way.

Briefing – on page 41 the Emergency Services Network, Nicola Scrivings asked whether this features in the strategic risk register. NH stated ESN is red in the operational risk register and the funding of the ESN is a cause in the strategic risk register under the "managing the finances" risk. This is monitored regularly and Niki Howard is on the National Group. We have a project team ready to implement but have little control over when the Home Office will implement.

Nicola Scrivings thanked Dan Harris for the briefing and welcomed the questions as a guide.

DG gave an update over the collaborative working with Fire. The PCC has worked with the Fire Authority to appoint external consultants who have been working with us over the last six weeks. They are reviewing options within the legislation over different types of governance models. They are drafting proposals which will go to the Police and Fire Group. Then they will draft a business case by the end of May, which will be subject to public consultation and final submission to the Home Secretary. DG stated this is

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| | <p>evolution rather than revolution and we are exploring the opportunities. Nicola Scrivings asked for an update at either the June or September meeting and the impact on JAC ToR.</p> <p>Audit Plan 17/18</p> <p>Pages 8 to 10 shows the plan for the Cambridgeshire audits and pages 11 and 12 show the planned collaborative audits.</p> <p>Daniel Harris shared a challenge from Herts meeting which asked Firearms be brought forward. Mike Hindmarch asked if 16/17 could be included on the annual summary so the committee can see the cycle of audit reports.</p> |
| | <p>Resolved:</p> <ul style="list-style-type: none"> (i) <i>The group noted the report.</i> (ii) <i>Concerto recommendations for BCH common action plan to be brought to June JAC meetings.</i> (iii) <i>Tri-Force JAC terms of reference to be better defined and purpose of its role clarified.</i> (iv) <i>James Morgan to email Natalie Benton regarding concerns over counter terrorism and firearms licensing.</i> (v) <i>Fire and Police Business Case update and impact on JAC ToR.</i> (vi) <i>RSM to include previous year reports so cycle of audit reports can be identified.</i> |
| <p>6.</p> | <p>Internal Audit Recommendations Progress Updates</p> |
| | <p>Non-Financial Recommendations – the report provides an update on the non-financial recommendations from internal audit reports. The report at appendix A has developed since the last meeting and work is ongoing to make the report obvious as to which report it relates to.</p> <p>AMS is a Herts designed system that we are using as a Tri-Force system but are still using 4Risk by RSM.</p> <p>On page 4 of the AMS report an update states “Business case submitted for eOPAS/eSafety system functionality for BCH.” The force were asked to review the management action to mitigate the risk if we cannot afford the system.</p> |
| | <p>Resolved:</p> |

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| | <p>(i) The group noted the reports.</p> <p>(ii) Management action in relation to eOPAS/eSafety system to be reviewed.</p> |
| 7. | External Audit Plan 2017/18 and Plans for 2016/17 Audit |
| | <p>The plan for year ending March 2017 was summarised.</p> <p>Financial statement risks consist of two risks, management override and risk of fraud in revenue recognition are mandated by ISAs. The treatment of pension top-up and mid-year implementation of a new finance system are Cambs specific. There will also be a change to the presentation of statements moving away from CIPFA headings to management accounting headings.</p> <p>There are currently no concerns over value for money and none have been identified via HMIC, Internal Audit or the MTFP.</p> <p>The fees are indicative of the costs and there is an additional fee this year for the Tri-Force work in relation to the systems which will be shared across BCH but should reduce costs in future years.</p> <p>The committee asked for reassurance over resourcing following last years' experience. They were informed the team have already made a start and resources have been improved with appropriately aligned and experienced people identified. The timelines are also earlier than last year.</p> <p>Nicola Scrivings confirmed that she has spoken to Neil Harries of EY and been reassured.</p> <p>NH stated she has spoken to Neil Harries too, he is content over external assurance for 16/17 and they are having conversations over 17/18 as HMIC are taking a light touch approach. NH provided an update of the new finance system that the information transfer had gone well, but there have been challenges retrieving information from the system.</p> |
| | <p>Resolved:</p> <p>(i) The group noted the report.</p> |
| 8. | Strategic Risk Register |
| | <p>Matthew Warren highlighted Risks 3.1 and 3.3 which he wants to review completely so next time the committee see the strategic risk register these risks will be rewritten following a fundamental review and drawing everything together under a strategic umbrella.</p> <p>Nicola Scrivings highlighted under risk 4.5 that JAC are not a Controls Assurance for the</p> |

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| | <p>performance framework. There was discussion over this risk as it covers a broad area but the risk controls are quite specific. DG stated this was to ensure we covered statutory functions and agreed to review this risk.</p> |
| | <p>Resolved:</p> <ul style="list-style-type: none"> (i) <i>The group noted the report.</i> (ii) <i>Review of risks 3.1 and 3.3 to be completed by CFO.</i> (iii) <i>Risk 4.5 remove JAC as Controls Assurance and DG to review due to broadness of risk.</i> |
| 9. | Published HMIC Reports |
| | <p>HMIC have published the Effectiveness Report of which Cambs received three ratings as Good and one requires improvement. There is an ongoing action plan and the force are confident they are moving in the right direction.</p> <p>The HMIC inspections start again in May with Efficiency. Natalie Benton stated the questions have changed each year but we are able to evidence improvements against these AFI's and demand profile.</p> <p>DG stated there is also an Offenders Needs Assessment being undertaken which will also feed into decision making and business planning.</p> <p>Niki Howard thanked Natalie Benton and her small team for the amount of work to help get them to this point.</p> <p>DG stated this is an example of where cognisance of risk led to an increase in resources to manage information which drives the business.</p> <p>Nicola Scrivings stated this gives sufficient assurance and a useful update.</p> |
| | <p>Resolved:</p> <ul style="list-style-type: none"> (i) <i>The group noted the update.</i> |
| 10. | Budget Update |
| | <p>This is the update that has been through the Police and Crime Panel and is here for information and transparency.</p> <p>NH stated the ESMCP costs have risen already and there is challenge to the budgets but we have a balance budget for 17/18 but this is not without its challenges. Niki Howard also stated she has been prudent with collaboration savings included in the MTFP.</p> |

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| | The committee wished their concern over the £4m gap recorded. |
| | Resolved: (i) <i>The group noted the report.</i> |
| 11. | Tri-Force JAC Reflections on meeting 17th March 2017 |
| | This has been covered under the Internal Audit discussions but highlighted there are significant concerns over collaboration and the terms of reference for the group need to be determined. |
| | Resolved: (i) <i>The group noted the report.</i> |
| 12. | Recruitment Update |
| | Nicola Scrivings thanked Nicola Mullany as this is her last meeting. She also stated she is standing down after the June meeting. Mike Hindmarch membership has been renewed for a second term. She asked everyone to use their connections to advertise as widely as possible. |
| | Resolved: (i) <i>The group noted the report.</i> |
| 13. | Review of Forward Agenda Plan |
| | To be discussed outside the meeting. |
| 14. | AOB |
| | Mike Hindmarch gave positive feedback over the NHS Neighbourhood Team moving into Histon Police Station and how this led to a vulnerable woman being identified through joint working. |
| | Resolved: (i) <i>Forward the presentation to other members.</i> |
| 16. | Date of Next Meeting |
| | The next meeting will be held on Thursday 29 June 2017 at 10.30am, Conference Room 2, Police Headquarters, Huntingdon. Members are invited to attend from 10am for a pre-meet. |

Nicola Scrivings