

Minutes of the Joint Audit Committee 28th April 2021 at 2pm held via remote video link

Attendees:

Paul Brown (Chair) – Chair of Meeting
Rachel Evans (RE)
Lorna Harnby (LH)
Graham Lancaster (GL)
Patrick Molineux (PM)
Paul Roberts (PR)

David Munro (PCC) – Surrey Police and Crime Commissioner
Alison Bolton (AB) – Chief Executive – Office of the Police and Crime Commissioner
Kelvin Menon (KM) – Treasurer – Office of the Police and Crime Commissioner
Sarah Gordon (SG) – Office of the Police and Crime Commissioner (Minute taker)

Gavin Stephens (CC) - Chief Constable - Surrey Police
Peter Gillett (PG) – Commercial Finance Director – Surrey & Sussex Police
Jon Dymond (JD) - Chief Digital & Information Officer – Surrey Police (PART)
John Moyles (JM) – Service Director – Regional & Financial Development – Surrey & Sussex Police (PART)
Clare Simkin (CS) – ACO for SERIP and Surrey Sussex ERP Programme (PART)
Maureen Cherry (MC) – Building the Future Programme Director – Surrey Police (PART)
Miranda Kadwell (MK) – Corporate Finance Manager – Surrey & Sussex Police
Helen Bayliss (HB) – Head of Information Management – Surrey Police (PART)
Elizabeth Jackson (EJ) – Associate Partner, External Audit - Ernst and Young
Justine Thorpe (JT) – Ernst and Young
Karen Shaw (KS) – Chief Internal Auditor - Southern Internal Audit Partnership
Vaughan Williams (VW) - Service Director, Estates & Facilities, Surrey & Sussex Police (PART)

PART ONE - IN PUBLIC

025/2021 APOLOGIES FOR ABSENCE (Item 1)

Apologies had been received from Sally Wilson, Head of Corporate Development.

The meeting was taking place remotely due to the ongoing Covid-19 pandemic.

026/2021 URGENT MATTERS (Item 2)

The Chair provided an update to the Committee about the new ways in which the JAC members had been working and thanked colleagues from Police and OPCC for their cooperation. Each member had an area of focus as detailed at the last meeting. It was

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important that when committee members worked in advisory roles relating to their subject matter expertise that they confined their role to advisors/observers and remained independent as had been the case in recent recruitment exercises. **It was agreed that AB and LH would meet to ensure potential conflict of interests did not arise with regard to JAC members when they provided specialist advice and whether this should be included in the ToR.**

The Chair had met with his Sussex counterpart and would continue to build a relationship with him and meet with him regularly – this was particularly important in relation to the collaborative space that Surrey and Sussex worked within.

Progress had been made regarding conversations about risk with police and audit colleagues with the Committee learning more about the processes involved in assessing and managing risk.

027/2021 DECLARATION OF INTERESTS (Item 3)

No declarations were made.

028/2021 MINUTES OF THE MEETINGS HELD ON 27th JANUARY 2021 AND ACTION TRACKER (Item 4)

4a - the minutes of the meeting held on 27th January 2021 were accepted as a true and accurate record.

4b – Action Update:

Annual report – this would be brought to the July meeting by PR on behalf of the JAC
Materiality – following a meeting involving the external auditors and GL the Committee was content with the approach to materiality that was being followed. The Committee was keen that external and internal auditors work together to support the annual audit opinion. **KS was happy with current working relationships and would meet with EJ from EY to discuss potential areas of collaboration following the publication of the Redmond Review.**

Health and Safety – the Chair had recently met with the Head of Health and Safety to determine what information should be brought to future JAC meetings. This had identified a difference in the way that health and safety risks were recorded in the Surrey Risk Register compared with the Sussex Risk Register. This was something that the Chair felt needed to be addressed in the context of the new risk process. **It was agreed that this would be discussed in a broader discussion about the new risk process and a meeting would be arranged between the DCC, Head of Corporate Development, HoIM and the Chair/RE**

Equip – the Committee was advised that a lessons learnt document was still being prepared and would be available in around two weeks. It was stated that the new CDIO had been recently appointed and would be involved heavily in progressing any lessons learned and in particular how assets recently acquired would be utilised.

The PCC suggested that it would be useful to know how ex-Equip partners, Sussex Police and Thames Valley Police, were handling this process and would welcome seeing a report detailing joint views. PG said that the team was working on a common

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approach with Sussex but that Thames Valley would be progressing in their own direction.

ACTION: PG and DCC to discuss Equip lessons learnt encompassing views from Sussex and Thames Valley and to feed back to members as soon as possible.

029/2021 INTERNAL AUDIT UPDATE REPORT 2020/21 (Item 5)

KS presented the report. The final audit reports would be discussed in more detail at item 19. SIAP was on track to publish their annual opinion for the July meeting and KS was grateful to OPCC and Force colleagues on the good progress that had been made.

A further follow-up audit would take place in respect of progress with IT audit recommendations made which would then be used to inform the annual opinion.

030/2021 MHCLG AUDIT REGULATIONS CONSULTATION (Item 6)

KM presented the paper which gave detail of the MHCLG consultation into a) amendments to Local Audit setting fee arrangements and methodology and b) allocation methodology of £15m Redmond funding. The consultation included a number of questions which were listed in the report with suggested responses.

The Committee were content with the suggested responses as set out in the report and it was agreed that KM would submit a response as such.

031/2021 INTRODUCTION FROM NEW EXTERNAL AUDITOR (Item 7)

Elizabeth Jackson had taken over from Mark Hodgson at EY as the lead partner in charge of the external audit for both the Force and OPCC. EJ introduced herself to the committee and expressed a wish to work closely with them in the future. EJ was advised that GL would be her primary JAC contact and would meet with her at an appropriate time during the audit programme. GL said that the committee would welcome an early conversation regarding VFM and Equip as there had been issues around these areas in the past and EJ was happy to do this. GL also mentioned that the committee would also like an indication of proposed fees when available.

032/2021 SCHEME OF GOVERNANCE ANNUAL REVIEW (Item 8)

AB presented the report which gave detail of the annual review of the Scheme of Governance. This process was done in tandem with Sussex to ensure there was alignment in Governance between both Forces and OPCCs to assist with collaboration. LH, the JAC Governance specialist, had reviewed the documents and her suggested amendments had been considered and agreed. LH expressed the view that going forward the scheme of Governance should be simplified and made more user friendly. **It was agreed that AB and LH would meet early in the review stage next year so that AB could best consider how to achieve this in collaboration with Sussex.**

AB said that she was giving consideration to how best to promote the Scheme of Governance throughout the organisation so that they were brought to the attention of

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those that needed to access and adhere to them. PG said that conversations in this regard had already happened with the DCC.

The Committee were content to recommend that the Scheme be approved by the PCC and Chief Constable.

033/2021 UPDATE ON CHANGES FOR THE 2020/21 ANNUAL STATEMENT OF ACCOUNTS (Item 9)

MK presented the paper which provided the Committee with details on the regulatory changes affecting the 2020/21 Statement of Accounts, production timetable and accounting policies for year ending 31st March 2021.

The draft accounts would be ready by 1st August 2021 and the final audited accounts should be signed off by 30th September 2021. This would be subject to the completion of the External Audit.

ACTION: An extraordinary JAC meeting would be arranged for the end of September to enable sign off of the audited accounts.

MK also gave an update on the Finance department restructure. The purpose of the restructure was to have one complete finance team covering both Surrey and Sussex rather than two teams at present. This should lead to greater efficiency as well as savings. New roles had been filled and staff were being embedded into these new roles. The new model was based on CIPFA's Achieving Financial Excellence in Policing.

034/2021 TREASURY MANAGEMENT POLICY STATEMENT AND STRATEGY 2021/22 (Item 10)

MK presented the report. Members noted the extended functions attributed to the S151 officer and asked whether the required capability was in place. MK said that support was provided by SCC and treasury management advisors so the Force was not just reliant on their in house transaction team.

Members noted that further borrowing of £8m would be required in the year and were interested in what the rate of interest would be charged. MK said that some of it would come via internal borrowing as the plan would be to make use of internal cash supplies if possible. Members expressed a view that they wanted to keep a close eye on borrowing levels however KM reminded members that the final decision around borrowing sat with the PCC.

ACTION: MK to confirm the rate of interest re: borrowing and to provide a summary table of current spend and planned spend.

035/2021 REVIEW OF GIFTS AND HOSPITALITY (Item 11)

The Committee was content that the system of recording gifts and hospitality was working well and the report was noted.

036/2021 FUTURE JAC ANNUAL MEETING PLANNER AND DRAFT AGENDA (Item 12)

The Chair presented the suggested new annual planner for the JAC meetings and a future draft agenda.

There was now an increased emphasis on risk management and this would be brought to every meeting with the addition of fraud and corruption which appeared to have dropped off the agenda over the years.

ACTION: Chair to meet with newly elected PCC, if applicable, following the upcoming PCC elections to discuss the new agenda and annual meeting planner.

037/2021 FORCE PERFORMANCE REPORT (Item 13)

The CC presented the report. He tabled two slides which set out the recently published Home Office's National Crime and Policing Measures which would help focus effort on key national priorities, allow performance to be measured consistently across forces and help demonstrate value for money in policing.

Surrey had amongst the highest rating for resident's satisfaction with the Force. Cyber-crime continued to be a big challenge locally but this was the case for all Forces and hence should be addressed at a national level. The CSEW (Crime Survey for England and Wales) which was usually one of the leading data sources for comparing Force Performance hadn't been collecting data for the past year due to the pandemic. Comparing Forces performance was further complicated in that not all forces measured outcomes in the same way, of which there are 22, so it was difficult to make comparisons.

The CC had received a letter earlier this week from the Chair of the National Performance Committee which set out an agreed regional approach to the new Home Office National Crime and Policing measures. He suggested that Surrey may do better than some areas as a number of the measures were heavily focussed on high urban areas and the challenges they face.

The PCC welcomed the Home Office taking a greater leadership role in this area and he would personally like to see comparisons for each Force in respect of public confidence in the Police.

The Chair said that the challenge for him was it was difficult to understand what good performance looked like when there were no comparisons to other forces or targets included but understood the difficulties this presented.

The CC offered the Chair a demonstration of the performance portal and in particular the implementation of the Power BI so that the Chair could see the range of data available. This was agreed and a session would be arranged in due course.

The Chair read out the statement that in accordance with the Local Government Act the public were excluded from this part of the meeting due to the discussion of potentially exempt items of business.

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PART TWO – IN PRIVATE

The meeting ended at 4.45pm