

Minutes of the Joint Audit Committee 27th January at 2pm held via remote video link

Attendees:

Paul Brown (Chairman) – 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 (PART)
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
Joe Langford (JL) – Chief Information Officer – Surrey & Sussex Police (PART)
Jon Dymond (JD) - Chief Digital & Information Officer – Surrey Police (PART)
John Moyles (JM) – Service Director – Regional & Financial Development – Surrey & Sussex Police (PART)
Maureen Cherry (MC) – Building the Future Programme Director – Surrey Police (PART)
Matthew Green (MG) – Head of Health and Safety – Surrey and Sussex Police (PART)
Miranda Kadwell (MK) – Corporate Finance Manager – Surrey & Sussex Police
Mark Hodgson (MH) – Ernst and Young (PART)
Karen Shaw (KS) – Chief Internal Auditor - Southern Internal Audit Partnership

PART ONE - IN PUBLIC

01/2021 INTRODUCTION BY THE NEW CHAIRMAN OF THE COMMITTEE

The Chairman opened the first meeting of 2021 with a new Committee and his first as Chairman. He began his introduction by recognising the retiring members of the Committee and the work they had contributed for the past eight years to establish the Committee and set a foundation for the future. He thanked Graham Lancaster and Paul Roberts for continuing with their second tenures and welcomed three new members to the Committee; Rachel Evans, Lorna Harnby and Patrick Molineux. He explained that he would be acting as Chairman for a two year tenure and would then remain on the Committee as a member for his remaining two years. This would give him the opportunity to assist with appointing a new Chair whilst in situ and provide a suitable handover.

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The Committee would continue to work in a generic way as it had before but each Committee member would now be assigned an area of 'business' to focus on that corresponded to their specific skills and specialisms as follows:

Chairman – operational risk
GL – accounts and external audit
PR – business planning
RE – risk and internal audit
LH – governance and corporate risk
PM – major change programmes.

For this to work effectively it was important that Committee members were able to work collaboratively with the OPCC, Force and audit colleagues. Committee members had therefore been invited to attend specific Force meetings as observers and would be having regular meetings throughout the year with audit colleagues.

It was also important for the Committee to be given the appropriate assurances that risks, audits and recommendations were being addressed and managed across the Force and that they were made aware of the process for managing all levels of risks and not just top level and those that related to major projects. Collaboration with the Sussex JAC was also a key focus for the future.

The future working of the Committee was being addressed as part of the governance work and there would be a discussion at the next meeting regarding the Committee's terms of reference, work programme and mode of operation. Item 11 on the agenda would therefore be deferred to the next meeting.

02/2021 APOLOGIES FOR ABSENCE (Item 1)

No apologies had been received.

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

03/2021 URGENT MATTERS (Item 2)

None

04/2021 DECLARATION OF INTERESTS (Item 3)

No declarations were made.

05/2021 MINUTES OF THE MEETINGS HELD ON 21st OCTOBER 2020, 25th NOVEMBER 2020 AND ACTIONTRACKER (Item 4)

4a - the minutes of the meeting held on 21st October 2020 were accepted as a true and accurate record.

4b – **ACTION: to chase up outstanding actions – SG**

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4c The set of minutes of the 25th November 2020 meeting that **had** been circulated as part of today's meeting had received approval from the former Committee members continuing on the new Committee as being an accurate record of the November meeting and wouldn't be further amended. A statement to accompany the minutes had been prepared by these members of the Committee and would be discussed in part two at item 13. It was noted that the previous Chairman of the Committee had produced a separate set of minutes of the meeting on 25th November 2020 although these had been received too late to be considered as part of today's meeting but would also be discussed at item 13

06/2021 INTERNAL AUDIT UPDATE REPORT 2020/21 (Item 5)

KS presented the report which she explained was a high level summary of the audit plan and of the actions that remained open. A more detailed report would be presented in part two of the meeting at item 19.

The team were on track to complete the audit plan by the end of the year and to deliver their opinion which would be brought to the July meeting. Some changes had been made since this report was issued and these would be discussed in part two.

The Chairman questioned whether the Committee should be producing an annual report. PG agreed that this would be a good idea and should be prepared for the July meeting. **ACTION: PG to share documents with the Committee**

07/2021 INTERNAL AUDIT STRATEGY, PLAN AND CHARTER 2021-22 (Item 6)

KS presented the report which she explained was being presented earlier than it normally would due to the new Committee being in place and wanting to give the new members an opportunity to give their input and observations.

The Strategy although for the years 2021/22 to 2023/24 was focussed mainly on 2021/22 and included all areas of potential scope. It covered a wide remit and regular meetings were held with both the OPCC and Force CFOs to review the plan and to enable the progress report to be as detailed as possible. It was a flexible plan that could be adjusted accordingly throughout the year. The plan factored in 260 audit days which was higher than the previous year which had 247 days. The number of days were determined from information provided in the risk registers, through discussions with management within the OPCC and Force, the remit of the PCC and the size of the Force. Work was aligned to where it was needed most and covered current projects and other areas of importance. Throughout the year the auditors would monitor the risk landscape and have regular discussions with the right people.

SIAP took up the internal audit role in 2018 and there had previously been little audit coverage in IT but SIAP had assessed within their first year that this was a high risk area that needed focus. A three year rolling plan was developed which was still ongoing and would continue until both auditors and management were comfortable that things were on an even keel. Regular quarterly meetings had now been established between the JAC and SIAP.

ACTION: A review was currently underway in the area of risk management and KS said that she would speak to the Chairman to update him outside the meeting.

It was decided that it would be beneficial for the Surrey JAC and the Sussex JAC to have a meeting as a number of audit reviews were carried out in collaborative space.

08/2021 ANNUAL EXTERNAL AUDIT LETTER 2019/20 (Item 7)

MH presented the report which gave a summary of the external audit year. The deadline of the 30th November 2020 had been reached and the report closed out the 2019/20 year and was consistent with previously recorded comments.

Members pointed out that the statement in the “Purpose of this Letter” section that “the JAC represent those charged with governance” was incorrect and MH agreed to change it. Members also questioned the level of materiality stated in the report. MH confirmed that it was a level that was consistent for police and the public sector as a whole.

ACTION: The Committee members agreed to have a discussion about materiality levels ahead of the next JAC meeting in April.

09/2021 TREASURY MANAGEMENT MID-YEAR REPORT 2020/21 (Item 8)

MK presented the report which gave summary of the treasury management performance for the nine months to 31st December 2020. Interest had diminished significantly in the last year. This was a national issue and not specific to Surrey and related to the state of treasury management investing due to the coronavirus pandemic.

Members welcomed the detail in the report especially the risks around borrowing and interest rates on short term deposits.

10/2021 ANNUAL REVIEW OF RISK MANAGEMENT ARRANGEMENTS (Item 9)

AB and PG presented the report which gave an overview of the risk management arrangements that were in place for the both the OPCC and the Force.

The Deputy Chief Constable had strategic responsibility for risk management and received an update on risks at his regular Organisational Review Board (ORB). A further review process was also being established so that certain risks could be challenged and scrutinised outside of the ORB meetings. **An invitation was extended to the Committee members to attend and observe one of these scrutiny meetings.**

Work had also commenced to replace the Force’s risk register with a more up-to-date technology solution jointly with Sussex which would enhance efficiencies in the management of risk. **The timescale of this would be confirmed.**

The Committee members questioned whether the risk tolerance framework that the Force used was still fit for purpose and suggested that there would be a benefit to including a financial classification as part of the assessment criteria. **The framework was based on good practice advice with CIPFA providing an independent view but the Force would welcome additional views of the Committee members.**

11/2021 HEALTH AND SAFETY REPORT (Item 10)

MG presented the report which gave an overview of recent health and safety statistics, an update on the Force's advice in relation to Covid-19 and an update on the re-structure of the Health and Safety service.

There were ongoing concerns around safety incident reporting numbers which had dropped off over a period of time. One of the possible reasons for this was that 'use of force' reporting had been moved to a new system and that there was a need to log in to two different systems so that the necessary information was captured. This issue had now been addressed. It was noted that the number of injuries sustained during conflict training was high. This was due to the need for training to be realistic as to what officers might encounter when dealing with real incidents.

There was some confusion among members about why a restructure was needed when previous statistics had been good. The need for a restructure was borne out of an internal audit review. It had been helpful in concluding that the health and safety team could do more and that there was high demand for the service. Therefore the competency of the team needed to be increased.

ACTION The Chairman took the decision to review the content of the report outside of the meeting and discuss with MG what information would be required for future meetings.

12/2021 REVIEW OF WORK PROGRAMME 2021/22 (Item 11)

The current work programme was currently being reviewed as part of a wider governance review of the JAC. **A refreshed work programme would be presented at the April meeting.**

13/2021 FORCE PERFORMANCE REPORT (Item 12)

The purpose of the paper was to provide an update on Surrey Police's performance against the Police and Crime Plan which the CC used in his regular performance meetings with the PCC. The paper was presented for information to the Committee.

Members felt that it would be helpful in future iterations of the paper to have comparison data with other forces, where available, so that it was easy to see where Surrey sat in the national picture.

PART TWO - PRIVATE