

**Minutes of the Joint Audit Committee 27<sup>th</sup> April 2022 at 10am held via remote video link**

**Attendees:**

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

Lisa Townsend (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  
 Clare Simkin (CS) – ACO for SERIP and Surrey Sussex ERP Programme (PART)  
 John Moyles (JM) –  
 Maureen Cherry (MC) – Building the Future Programme Director – Surrey Police (PART)  
 Vaughan Williams (VM) – (PART)  
 Helen Bayliss (HB) – Head of Service Quality – Surrey Police (PART)  
 Matthew Green (MG) – Head of Health & Safety – Surrey & Sussex Police (PART)  
 Bosco Chan (BC) – (PART)  
 Joy Chant (JC) – (PART)  
 Elizabeth Jackson (EJ) – Associate Partner, External Audit - Ernst and Young  
 Karen Shaw (KS) – Chief Internal Auditor - Southern Internal Audit Partnership

Action No.	Meeting date	Item	Action	Owner
31	July 2021	Item 17 – Update on Policy Management	For the next iteration of the report the Committee would like some information on how the Force gains assurance that the policies are being read and understood.	HB
58	April 2022	Welcome remarks	To include a part two item for PCC and CC to give an update on key risks and concerns that had arisen in the last quarter.	SG
59	April 2022	Action Tracker from 26 <sup>th</sup> January 2022	Include action due dates on action log	SG
38 (update)	April 2022	Action Tracker from 26 <sup>th</sup> January 2022	Nominated JAC members to meet with AB/CC to discuss how the OPCC and CC work together to	AB/CC

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			gain assurance of the effective governance of both organisations.	
42 (updated)	April 2022	Action Tracker from 26 <sup>th</sup> January 2022	JAC members to meet with KM and MK to gain a better understanding of the treasury management function.	KM/MK
53 (updated)	April 2022	Action Tracker from 26 <sup>th</sup> January 2022	SG to chase up AC regarding the action on cyber security.	SG/AC
55 (updated)	April 2022	Action Tracker from 26 <sup>th</sup> January 2022	Health and Safety to be added to OPCC risk register.	AB
55		Action Tracker from 26 <sup>th</sup> January 2022	To ensures risk relating to ICT, H&S, finance and estates were appropriately added to risk register following discussions at the next ORB meeting	SW
57 (updated)	April 2022	Action Tracker from 26 <sup>th</sup> January 2022	Vetting - the CC agreed that a paper would be prepared and brought to the July meeting to provide an update for the Committee.	CC
60	April 2022	ERP and ESMCP	CS to provide holistic overview of ERP programme	CS
61	April 2022	ERP and ESMCP	CS to provide a RAG graphical update on risks and issues that the PCC and CC should be aware of	CS
62	April 2022	Internal Audits Reports Issued	To provide a report to the July meeting detailing implementation plans for the new firearms licensing system and progress against internal audit actions.	CC
63	April 2022	Review of Governance Arrangements for Third Party Grants	To produce a spreadsheet to show where funds had been allocated	KM
64	April 2022	Review of Governance Arrangements for Third Party Grants	To include a section on performance monitoring for next iteration of report	LHe
65	April 2022	Review of Governance Arrangements for Third Party Grants	LHarnby and LHerrington to meet re: TBC	LHe
66	April 2022	Health & Safety report	MG to re-engage with VM to make sure “scoring” of compliance is consistent.	VM/MG

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67	April 2022	Review of Gifts and Hospitality	All subsequent reports to be moved to the 'For Information' section of the agenda.	SG
68	April 2022	JAC Annual report	To publish Annual report on OPCC website	SG
69	April 2022	External Audit	EJ to meet with GL to provide an update on current issues.	EJ/GL
70	April 2022	Force Strategic Risks	Committee to receive dashboards at next meeting so they could see the progress of the work being done.	HB
71	April 2022	Force Strategic Risks	RE to be invited to relevant risk meetings as JAC observer	SG/HB
72	April 2022	Force Strategic Risks	HB to speak to MG and add H&S risks to new Force system.	HB/MG

**PART ONE - IN PUBLIC**

**25/2022 WELCOME & APOLOGIES FOR ABSENCE (Item 1)**

Apologies had been received from Graham Lancaster, JAC Member, Peter Gillett, Commercial Finance Director and Sally Wilson, Head of Corporate Development.

The Chair noted that the PCC had to leave before the end of the meeting for the APCC AGM and that the Committee felt there were a number of issues to discuss during her attendance, namely:

- Budget Risk
- Risk Register
- Limited assurance in 4 areas including firearms licensing
- ERP future strategy
- Health and Safety relating to Estates
- Management Systems within governance

The committee wished to thank SW for her efforts in progressing the risk process and recognised PG's role in providing the key interface between Force and JAC for the Commercial and Finance functions with great enthusiasm and rigour. The CC wished to record his thanks in the minutes for PG's efforts supporting him in this respect.

The Committee noted that at other forces audit committee meetings there was a more formal section in the closed part of the agenda for the PCC and CC to give an update on key risks and concerns that had arisen in the last quarter, and it was agreed that at future meetings a 15 minute slot would be allocated for the PCC and CC to give a verbal update.

**26/2022 URGENT MATTERS (Item 2)**

None.

**27/2022 DECLARATION OF INTERESTS (Item 3)**

No declarations were made.

**28/2022 MINUTES OF THE MEETINGS HELD ON 26<sup>th</sup> JANUARY 2022 AND ACTION TRACKER (Item 4)**

a) The minutes were accepted as a true and accurate record.

b) Action updates:

**38 – ACTION: Nominated JAC member(s) to meet with AB/CC to discuss how the OPCC and CC work together to gain assurance of the effective governance of both organisations and to understand how the boards and committees through which the delegated authority of the OPCC and Chief are exercised.**

40 – JM confirmed that the Force wouldn't be providing a written response to the JAC annual report but that the recommended actions would be progressed.

**42 – ACTION: JAC members to meet with KM and MK to gain a better understanding of the treasury management function.**

**53 – ACTION: SG to chase up AC regarding the action on cyber security.**

**55 – ACTION: Health and Safety to be added to OPCC risk register.**

**57 – Vetting** - It was noted that all recommendations had been progressed and Surrey/Sussex/Thames Valley were in good shape. **ACTION: the CC agreed that a paper would be prepared and brought to the July meeting to provide an update for the Committee.**

**PART TWO – IN PRIVATE**

**PART ONE – IN PUBLIC**

**31/2022 INTERNAL AUDIT (Item 8)**

a) Noted.

b) KS presented the report. The Chair questioned whether the plan was extensive enough. KS said that a number of planning meetings had been held with the Force and that these open and honest conversations had led to the plan presented today. The risk register was the primary driver for audit planning and KS had attended the ORB meetings and felt that the plan was focused in the correct areas. The total number of days was a challenge and a majority of the days had been allocated to the collaborated areas. Given it was an evolving plan it could be modified throughout

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the year and KS was comfortable that there was enough coverage to enable her to produce an annual opinion.

The Committee questioned what the priorities of the PCC and CC were and suggested it would be a good idea to draw those out at the start of the planning process.

The CC asked whether Estates was programmed into the 22/23 year. KS confirmed that it was programmed into Q4 and that the PCC and CC could be involved in the scoping work if they wanted to. The recent audit in Health and Safety showed that the governance and management around Health and Safety was robust and the issues were really around compliance.

### **PART TWO – IN PRIVATE**

### **PART ONE – IN PUBLIC**

#### **33/2022 TREASURY MANAGEMENT POLICY STATEMENT AND STRATEGY (Item 11)**

The Committee was happy with the content of the policy statement but requested that some of the new members of the committee be educated on the Strategy as requested above.

The Committee was concerned about the rising interest rates and were conscious that there was very little contingency reserves in place to cover this. They wouldn't want Force financial pressures to increase to such an extent that the transformation programme at Mount Browne was put at risk.

JM explained that the Force and OPCC had recently met with the Home Office to discuss funding for the future with a particular emphasis on increasing costs. It was a big challenge nationally to work out how to deliver policing, in particular Uplift, within the funding envelope provided by Government. A lot of work was being done behind the scenes but there was no easy solution.

In Surrey and Sussex an external consultant was being contracted to look at what further savings could be achieved from changes to back-office functions as a majority of the savings would have to come from this area. A number of organisations had shown an interest and the appointment process would be concluded by mid-May with a potential start date of June.

JM said that £80m of savings had been achieved in the past 10 years and so all the easily accessible savings had already been taken hence it was therefore a good idea to employ outside advisors to assess where further savings could be made. Savings had already been identified for 2022/23 but not for the period beyond that. The Estates project alone would take 8-9 years and would require some flex as the project developed.

The PCC was pleased that these issues were being addressed and was conscious that a lot of work was happening behind the scenes which she was being kept up to date with. However, she wouldn't be signing anything off until she felt confident that she understood the background and detail and that the outcome would provide value for

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money for residents and the Surrey taxpayer. The PCC said that the CC had been very constructive in their conversations and she was confident that we would get to where we needed to be but that it would be a difficult journey.

The CC was conscious of the ring fencing of officer numbers as per the government target but was of the view that this couldn't be maintained into the future. Having to find savings would inevitably affect police staff numbers and open up a debate into officer/staff ratios. Added to this the Government work on the police funding formula was also ongoing and could be a risk to Surrey in respect of the levelling up agenda.

### **34/2022 REVIEW OF GOVERNANCE OF ARRANGEMENTS FOR MAKING GRANTS TO THIRD PARTIES (Item 12)**

The Chair noted that the system in place was now much better. **He said that KM was going to provide a spreadsheet to the Committee on where funds had been allocated.**

The Committee asked about performance evaluation criteria. LH explained that monitoring was in place. Grants under £5k were only subjected to low level monitoring. The more significant grants were subject to a more in-depth level of monitoring. This included a list of outcome measures that they were expected to perform against, a quarterly outcome report and the production of a performance data pack. Face to face meetings were also held.

**ACTION: to include a section on performance monitoring for next iteration of report.**

The JAC requested a conversation to gain an insight into whether the Force maximised the benefits of being a major donor for so many local charities recognising that they don't know the sensitivities regarding policing so wanted to learn more before making any suggestions. **LH would take up with Lisa Herrington.**

### **35/2022 HEALTH AND SAFETY REPORT (Item 14)**

The Chair was pleased with the new risk-based report and the analysis of the underlying causes of safety incidents. A big piece of work was being undertaken to look at officer assaults to assess the reasons why they were happening and how they could be reduced. With respect to the report format the only outstanding action was that in future the report needed to be endorsed by the DCC and the wider Health and Safety Board before submission to JAC and it needed to be integrated with the new risk system.

MG confirmed that as discussed in Item 16 there was still an ongoing issue about the different levels of statutory compliance given by the H&S team compared to the Estates team. This seemed to be because they had differing ways of recording compliance - H&S wouldn't record something as compliant unless it was 'signed, sealed and delivered' whereas Estates assessed that it was compliant if the work had been completed - there were ongoing discussions on this matter in order to obtain some agreement. The Committee said it would be helpful if processes were more streamlined as it would make the statistics easier to understand. MG suggested that the Committee use his report as the correct report. The Committee said it was important to have

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absolute clarity to be able to gain absolute assurance and only wanted one version of the 'truth'.

**ACTION: MG to re-engage with VM to make sure "scoring" of compliance is consistent.**

The Chair suggested that the issues around reporting systems needed to be picked up as part of the internal audit but the JAC were assured that RIDDOR incidents were being reported despite significant problems with the reporting system. They suggested keeping a close eye on this so as not to breach H&SE legislation. MG said that there was a contingency in place should the current 12/2 reporting system 'fall over'. The plan would be to replace it with Sussex's system. The ERP Programme was looking at a permanent solution.

### **36/2022 REVIEW OF GIFTS AND HOSPITALITY (Item 13)**

The Committee noted the report.

**ACTION: All subsequent reports to be moved to the 'For Information' section of the agenda.**

### **37/2022 JOINT AUDIT COMMITTEE ANNUAL REPORT (Item 6)**

The Chair explained that the report had been reissued to align with the financial year.

**ACTION: To be published on the OPCC website.**

### **38/2022 JOINT AUDIT COMMITTEE ATTENDANCE (Item 7)**

The Committee noted the report.

### **39/2022 EXTERNAL AUDIT (Item 9)**

EJ apologised for not tabling any reports at the meeting. Justine Thorpe, Surrey's external audit manager, had left EY since the last meeting and her replacement was yet to be recruited. EJ therefore had not had the staff in place to be able to produce the usual reports.

There was currently no audit plan in place for the 21/22 audit but a report would hopefully come to the July meeting. EJ would confirm this in due course.

KM said that it would be preferable for the audit manager who was leading on Sussex's audit to also carry out Surrey's. EJ agreed that this would be ideal situation and was pressing for it. EJ confirmed that the date for sign-off of the accounts had been moved by Government to November 2022 – although due to audit staffing problems this may not be met.

The Committee said that it was not ideal to see the delays and it was important that a focus was put on finding a solution as soon as possible.

EJ also said that she was completing the annual report for the 2020/21 audit as well as the Value for Money report for the same year

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**ACTION: EJ to meet with GL to provide an update on current issues.**

- a) EJ confirmed that the Committee would receive a copy of the annual report and VFM letter when it was finalised.
- b) The Committee noted the update.

**40/2022 SCHEME OF GOVERNANCE ANNUAL REPORT (Item 10)**

AB confirmed that the Scheme of Governance had been reviewed by the Committee in advance of the meeting. The Committee was pleased that the suggested changes had been made and would look forward to further follow-up conversations.

**PART TWO – IN PRIVATE**

**The meeting ended at 12.30pm**