



Joint Audit Committee Meeting Minutes

Date: Tuesday 21 May 2024

Time: 1300hrs

Location: Microsoft Teams

Committee Members:

Melvyn Neate (MN)	Chair
Katherine Pears (KP)	Vice Chair
Gordon Manickam (GM)	
Amanda Hassell (AH)	
John Banks (JB)	

In Attendance:

Richard Croucher (RC)	Chief Finance Officer, HIOWC & OPCC
George White (GW)	Head of Risk & Resilience, HIOWC
Andrea Tompkins (AT)	Head of Corporate Insights, HIOWC
Penelope Page (PP)	Business Continuity Manager, HIOWC
Charlie Perrin (CP)	Head of Operational Learning & Inspection, HIOWC
Eliot Glover (EG)	Head of Legal & Governance, OPCC
Olan Jenkins (OJ)	Senior Business Manager, OPCC
Karen Shaw (KSh)	Chief Internal Auditor, OPCC & HIOWC
Kevin Suter (KSu)	Ernst & Young
Jason Jones (JJ)	Ernst & Young
Daniel O'Rourke (DO'R)	Corporate Accountant, HCC
Jane Goddard (JG)	PA to Richard Croucher, HIOWC (minutes)

Declaration of Interests (Item 1)

There were no declarations of interest.

Apologies (Item 2)

Kate Gunson	Chief of Staff, OPCC
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672. Chair's Report (Item 3)

MN advised that he has met with Kate Gunson separately to discuss her new role in the OPCC and the relationship with the JAC.

673. Minutes, Action Log and Matters Arising (Item 4)

The minutes of the previous meeting, on 20 February 2024, were agreed as accurate.

Updates were provided on the two outstanding actions, as below:

Action 107 – It was agreed to maintain the existing process and timelines for publishing the updated meeting minutes on the website. Action closed.

Action 109 – RC has shared the CIPFA document with MN. Committee members will discuss this at the in-person JAC Members' meeting in September – ongoing.

674. Annual Governance Statements (Item 5)

Update from RC that the draft Statement of Accounts is due to be published on 31 May 2024, with the Annual Governance Statements (AGS) published alongside. It was explained there are separate AGS for the OPCC and HIOWC, to reflect the differences in the scope of responsibilities. Tracked changes have been included on the documents to highlight updates from last year.

AGS - OPCC

The majority of changes are within sections 6 & 7 of the AGS and the following points were noted by RC:

6.2 – OJ has been working on this and has researched other organisations to ensure this is compliant.

6.3 – The PCC was re-elected in May 2024 and wishes to progress with the Estates Strategy. This is a big financial commitment that requires effective planning and management.

6.4 – This reflects plans to return Recruitment, Occupational Health and Procurement teams in 2024/25, as part of phase 4 of the shared services move. AH sought clarification of phases 1-3 around which teams have already returned. RC confirmed that phase 1 was in October 2023 and involved Finance and the majority of Recruitment staff. Phase 2 was in April 2024 and concerned facilities management / property services staff and HR. Phase 3 is planned for August 2024 and relates to building contractor arrangements. RC confirmed there is still a commitment to retain transactional services, such as the IBC, Treasury Management and Internal Audit.

7.4 – It was confirmed the Police & Crime Plan has been 100% delivered.

Question from MN regarding section 7.3 and whether PDRs were already in place. RC advised the PDR process is used in HIOWC but had not previously been introduced in the OPCC. The intention is to bring staff in line with police staff terms & conditions and standardise working practices.

MN queried 3.14 and asked how there was no cost involved in appointing a new

Head of Legal & Governance. RC explained this was due to reorganisation and a change of structure in the OPCC, which enabled the role to be introduced at no additional cost.

KP asked for clarification around the benefits of the shared services arrangement and would like to see this expanded upon in the AGS. RC provided background that the arrangement started in 2014 and was experimental at the time. Returning some of these functions now enables the CC and PCC to be more agile in the management of their assets. An example of this is in the response to the recent police officer and contact management recruitment campaigns. KP further asked about costings and RC acknowledged there is a one-off cost of returning individuals but in time, it is hoped greater efficiencies can be made.

JB asked what lessons have been learned as a result of the shared services collaboration and suggested this should also be included in the AGS. RC stated the move was a good decision at the time but circumstances have now changed and it is advantageous to have the enabling functions in-house. This will continue to be reviewed dynamically, as the situation may change again in the future. RC confirmed the AGS will be updated with this additional information.

AGS – HIOWC

Focusing on HIOWC, section 6.1 has been updated to reflect the new Chief Constable and 6.2 records that the force is in a favourable financial position compared to others.

6.3 - It is noted there have been significant improvements in Contact Management but that summer is a period of high demand and plans are in place to deal with this. This also links to 7.3, where changes to the CMP system and the opening of a new call centre in Portsmouth aided recruitment and retention. MN referred to the independent review the PCC has commissioned on CMP, however RC confirmed this would not impact on the AGS.

6.5 – It is recognised the intelligence function has received less investment more recently than other areas. The additional recruitment will support high quality intelligence and briefing capabilities, with wide-ranging benefits to the force.

7.4 – An additional £4m was awarded for the force reaching uplift targets.

7.5 – HIOWC is one of the first forces in the country to offer a non-degree entry route. This has been a success and was introduced at no additional cost, as training was already being delivered in-house.

Question from MN as to whether it is usual practice to publish separate AGS for the CC and PCC. RC stated that this varies across forces but it is our decision to separate the documents, due to differing priorities and levels of emphasis.

Request made by AH for clear timescales and milestones to be added to the AGS, which is good practice in terms of governance and will improve clarity for the public. RC agreed this would be noted, along with all the above feedback provided by members.

Action 110: RC to update the OPCC and HIOWC AGS, to reflect the above feedback from JAC members.

675. Treasury Management Outturn Report (Item 6)

Overview from D'OR and confirmation that all activities have fully complied with the Treasury Management Strategy and Investment Strategy.

It is recognised that interest rates are currently high but it is anticipated they will start to reduce from the summer onwards.

In relation to section 5, PWLB loans have been repaid during the year. This has been done early to take advantage of favourable redemption rates. It is expected that investments are likely to remain stable in the medium-term.

MN asked what the position would be if interest rates improved towards the end of the year - would future borrowing be considered? DO'R stated this would not be considered, as there is no need to borrow at this time and it would contravene CIPFA guidance to do so.

Comment from MN about section 9 and a request was made to add the average amount of debt interest paid. DO'R confirmed this would be included in the next report.

MN questioned the figures in column 3 of Table 1 and whether the internal borrowing amount should be 31.71 and net investments 111.25. DO'R will review and update as necessary.

Action 111: D'OR to review Table 1 of the Treasury Management Outturn report and include the average amount of debt interest for the next report.

RC updated the reserve funds are likely to be committed on the estate, as this work was paused for the implementation of the new area model.

676. External Audit Update (Item 7)

Introductions made by JJ, who is covering for Kelly Gates whilst she is on maternity leave.

It was confirmed that the 2021/22 accounts for the CC and PCC have now been certified, with no further assurance needed.

KSu updated on the situation around the NAO backlog. Consultations have now taken place and we are awaiting the feedback. The expectation is that a backstop date of 30 September 2024 will be put in place, however official confirmation is still required.

MN asked about the impact on future years if this period's accounts are not signed off. KSu advised this would not result in a significantly higher workload, as 2022-23 would be disclaimed as unable to be completed. National guidance is expected and will explain the position once a decision is known.

MN queried the wording of the Section 151 responsibilities and asked whether this was standard text, or specific to HIOWC. KSu confirmed this was standard wording but remains relevant.

677. External Audit Plan (Item 8)

There are no significant changes to the audit plan, reflecting that the environment has not fundamentally changed. There are also no changes of note to areas of risk and focus, or regarding the calculation of materiality.

Comment from MN about the complexity of the accounts and the practices that are more applicable to private sector organisations. KSu noted that CIPFA did propose changes, however these were difficult to implement due to timing issues.

Comment from AH on audit materiality and the role of the audit committee. KSu requested that JAC members acknowledge the figures provided and agree they are content for EY to advise the CC and PCC that these levels can be reported.

Question from KP regarding audit fees. It was noted that the 2022/23 rate of £57,647 could potentially decrease, owing to the fact the full audit has not been completed. KSu advised that the period 2023/24 represents the new PSAA contract terms and highlights how the market has changed so significantly. RC confirmed this level of fee increase was expected and has been budgeted for.

678. Internal Audit Progress Report (Item 9)

Overview of current progress provided by KSh and there are no significant concerns.

Overall, 77% of the 2023/24 plans are at least at the draft report stage, with one closing yesterday and five due to finish in June. The planned vetting review has been replaced at short notice by two ACRO financial audits. Three Q1 reviews for 2025 have also been scoped and reviewed.

Question from GM as to whether JAC members can help to progress any of the outstanding actions, particularly those that are high risk. KSh will provide a further update in the confidential meeting but is content there are explanations and good governance in place. It is recognised there are more outstanding actions for the newer reviews.

679. Internal Audit Annual Report and Opinion (Item 10)

Apologies from KSh for the timeliness of the report, which was due to a delay in receiving all the assurance needed. It is noted that reliance is placed on EY and TVP, with whom there is now greater alignment.

The overall rating for the year was confirmed as 'reasonable'. KSh explained that there have been a number of limited opinions this year, however this is not unexpected, as the areas reviewed are notably high risk.

MN asked how the overall report compares to last year, which was also a reasonable rating. KSh advised there are no significant trends and this is the first time some of the areas have been audited.

No instances of fraud or irregularity have been brought to the attention of KSh and

thanks were passed for the positive working relationship with HIOWC and the OPCC.

The public session closed at 1420hrs