



PAPER AC21/20

## AUDIT COMMITTEE

A meeting of the Suffolk Audit Committee was held via Microsoft Teams on Friday 25 June at 09:30.

### PRESENT:

#### **Audit Committee Members**

Ian Blofield, Hugh May, Robert Millea and David Rowe (Chair).

#### **Office of the Police and Crime Commissioner**

Chris Bland (OPCC Chief Finance Officer), Christopher Jackson (Chief Executive) and Anna Parkinson (EA to the PCC and CEO/Business Administration Officer)

#### **Constabulary**

Kenneth Kilpatrick (Assistant Chief Officer)

#### **Present by invitation**

Vicky Chong (Assistant Manager, Ernst and Young – External Auditor), Fiona Dodimead (Audit Director, TIAA), Daniel Harris (Partner, RSM) and Claire Lavery (Audit Manager, TIAA)

#### **Apologies**

Chris Harris (Head of Internal Audit, TIAA), Mark Hodgson (Associate Partner, Ernst and Young – External Auditor), Steve Jupp (Chief Constable), Tim Passmore (Police and Crime Commissioner) and Andrew Peck (Audit Committee Member)

## PUBLIC AGENDA

*Prior to the formal start of the meeting, the Chair of the Audit Committee offered his congratulations to Tim Passmore in absentia on his re-election as PCC.*

### **1 DECLARATIONS OF INTERESTS**

1.1 There were no declarations of interests.

**2 MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 12 MARCH 2021 AND MATTERS ARISING (PAPER AC21/10)**

2.1 The minutes of the Audit Committee held on 12 March 2021 were agreed as a true record. The Chair will formally sign them at a future date when it is possible to do so.

2.2 An update on actions was reported as follows:

<b>Item</b>	<b>Action</b>	<b>Outcome</b>
3.9	Assistant Chief Officer to compile and circulate responses to TIAA briefings	Complete
4.26	Updates on all Corporate Health & Safety recommendations to be brought to next meeting.	Complete
4.28	Further detail to be provided of the history of the recommendations in Appendix D of the SICA report.	Complete
5.8	Assistant Chief Officer to speak to Norfolk Assistant Chief Officer to ensure both Force areas are content with the allocation of days and payment thereof.	Complete
7.2	Management and External Auditors to discuss/agree audit timeline	Complete. Now in-line with Norfolk and should be completed in time for November meeting.
9.9	Determine the appropriate/correct vehicle to approve or recommend the Treasury Management Strategy.	ACO and CFO to discuss outside the meeting – carry forward
9.15	Circulate Link Asset Services Economic Review	Complete

**3 SUMMARY INTERNAL CONTROLS ASSURANCE (SICA) REPORT (PAPER AC21/11)**

3.1 The Internal Audit Director presented this report. As an overview, nine reports have been issued since the last meeting of the Audit Committee, with only two priority recommendations.

Executive Summary: Learning and Development (Reasonable Assurance)

3.2 Members of the Audit Committee were pleased to note that all recommendations were being progressed.

Executive Summary: Key Financials (Reasonable Assurance)

3.3 The Internal Auditors confirmed that the two counterparty limit breaches mentioned in the report were identified by internal operational controls and then brought to TIAA's attention by management.

3.4 The Finance Department is a joint unit with Norfolk and the Assistant Chief Officer emphasised that the breaches were in Norfolk not Suffolk.

3.5 The Internal Auditors said that they were reassured by the action taken following the breaches.

Executive Summary: Procurement – Compliance with Contract Standing Orders (Reasonable Assurance)

3.6 This audit was looking at local compliance, following RSM's broader audit across the 7 Forces in the Procurement Collaboration.

3.7 Retrospective purchase orders were identified. In discussions with management, the Internal Auditors were satisfied that no policy such as "no PO no pay" was necessary as there are genuine reasons why some POs are retrospective (an example being a last minute unanticipated need for an interpreter).

3.8 The Internal Auditors confirmed that they had received verbal assurance and some written evidence that the recommendations in this area were being followed up. The monthly follow up process in June should show all actions complete/closed.

Executive Summary: HR Strategy, Use of Resources and Succession Planning (Reasonable Assurance)

3.9 The sixth recommendation within this report relates to staff turnover. An audit committee member asked whether use was made of exit interviews. The Assistant Chief Officer confirmed that exit interviews are undertaken but they are completely optional for exiting employees. Information gleaned from interviews which do take place is used to inform processes moving forward. In addition, a lot of work is underway to support recruitment and retention through the Modern Workplace Programme.

Executive Summary: Risk Management – Risk Maturity (Reasonable Assurance)

3.10 While there are no recommendations in this area, “reasonable” rather than “substantial” assurance was attained as the risk management strategy is currently being developed and not actually in place. The Internal Auditors stated they were satisfied with the work being undertaken.

Executive Summary: Recruitment (Reasonable Assurance)

3.11 The Internal Auditors said that an area of concern has been delays in the vetting process which has led to the loss of candidates who are not prepared/able to wait for their clearance to commence employment. However, the investment in this area has started to show improvement in vetting times.

Executive Summary: Data Quality (Limited Assurance)

3.12 The Assistant Chief Officer emphasised that the issue of data quality is taken very seriously. A Data Quality Board has been created, chaired by Assistant Chief Constable Rob Jones. There is a structured programme in place with project milestones to monitor progress in this very important area of business.

3.13 The primary focus is on operational databases as it is vital that all information is accurate in order to prevent operational mistakes eg correct addresses for warrants. The focus will broaden into other areas in due course.

3.14 Part of the problem is limitations of the software in use (Athena) and changes not only need to be agreed with the supplier, but also with all nine Forces that use Athena. This can slow the process.

3.15 The Assistant Chief Officer said that if more resource was needed it would be allocated to this work. He re-emphasised that data quality is and will remain a priority for the Force.

3.16 The Business Administration Officer added, to provide further reassurance to the Committee, that due to the importance of data quality the PCC now receives regular reports on progress at the Accountability and Performance Panel (APP). Audit Committee Members would be welcome to attend APP meetings to satisfy themselves that the PCC is not only maintaining oversight but also hear for themselves about the work the Force is undertaking.

Executive Summary: Assurance Review of MoPI Project Implementation (Limited Assurance)

3.17 The Internal Auditors stated that while this issue was ongoing, and has been for some time, it is not unique to Suffolk and remains a national issue. Suffolk however has made progress in that Genie Clearcore is becoming more embedded in the organisation and plans are in place to obtain additional ICT resources to support full implementation and provide ongoing support. (At the moment this is being done via an external consultant rather than

internally). The Internal Auditors said that they were encouraged that MoPi is moving in the right direction.

3.18 The management response on page 3 of the report was incomplete. The Internal Auditors will re-circulate this page.

**ACTION: Internal Auditors to re-circulate page 3 of this report**

Appendix C – Progress against Annual Plan

3.19 The progress against the Annual Plan was noted.

Appendix D – Follow up of Recommendations – Progress Update

3.20 The progress update on the follow up of recommendations was noted.

Update on Corporate Health and Safety Recommendations

3.21 This report was circulated separately a couple of days prior to the meeting. Audit Committee Members expressed their grave concern around fire safety compliance. The Assistant Chief Officer agreed and said that he would investigate progress against the first two recommendations in more detail and provide a response to the Committee outside the meeting.

**ACTION: Assistant Chief Officer to investigate progress against the first two recommendations and report back outside the meeting.**

**4 INTERNAL AUDIT ANNUAL REPORT 2020/21 (PAPER AC21/12)**

4.1 The Internal Audit Director presented this report in which was contained the Head of Internal Audit's Annual Opinion ie "*TIAA is satisfied that, for the areas reviewed during the year, the Police and Crime Commissioner for Suffolk and Chief Constable for Suffolk Constabulary has reasonable and effective risk management, control and governance processes in place*".

4.2 With regard to the three "urgent" recommendations, the Internal Auditors said that they were satisfied that urgent action was being taken. The work may not be complete but TIAA can see that work is underway and is therefore reassured – also by conversations with management – that issues are being addressed.

4.3 This was the last annual report to be submitted by TIAA as their contract comes to an end on 30.06.21. The Chair took this opportunity to thank TIAA as a company and more particularly thank Fiona Dodimead and Claire Lavery personally for all the work they have done and the way they have engaged with the Committee, Constabulary and OPCC.

**5 ERNST & YOUNG NATIONAL LETTERS (PAPER AC21/13)**

- 5.1 Audit Committee Members noted the content of these letters.
- 5.2 EY will start their audit in September/October therefore Suffolk will not meet the end of September statutory deadline for final sign off of the accounts. The Assistant Chief Officer has discussed this with EY and understands their position though there is potential for difficulties for the Finance Team particularly as the end of December coincides with receiving the settlement figure from government and consequent work on the MTFP.
- 5.3 The Assistant Chief Officer added that the draft accounts will be on the Constabulary and OPCC websites on 30.06.21 which will provide some public accountability. However, these obviously have more weight when the External Auditors add their opinion. Therefore he asked whether EY, whilst acknowledging they are working to an absolute deadline of 31.12.21, would be able to provide an actual date earlier than this when they would aim to issue their opinion. The Assistant Manager from EY said that she would discuss this with the Associate Partner outside the meeting and revert as soon as possible.

**ACTION: EY to provide the date they are aiming to issue their opinion**

**6 REVIEW OF COMMITTEE ACTIVITIES 2020/21 (PAPER AC21/14)**

- 6.1 The Business Administration Officer presented this report, the content of which was noted by Audit Committee Members.

**7 POLICE AND CRIME COMMISSIONER'S DRAFT ANNUAL GOVERNANCE STATEMENT 2021 (PAPER AC21/16)**

- 7.1 The Chief Executive presented this report. Audit Committee Members made comments and observations to be considered for future drafts.

**8 CHIEF CONSTABLE'S DRAFT ANNUAL GOVERNANCE STATEMENT 2021 (PAPER AC21/07)**

- 8.1 The Assistant Chief Officer presented this report. Audit Committee Members made comments and observations to be considered for future drafts.

**9 RISK MANAGEMENT STRATEGY (PAPER AC21/18)**

- 9.1 The Chief Executive presented this report, which the Audit Committee noted. He added that it was likely that he would be reviewing the strategy in the near future.

**10 REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROL 2020/21 (PAPER AC21/15)**

- 10.1 The Chief Finance Officer presented this report.
- 10.2 The Audit Committee acknowledged that Internal Audit is compliant with the Regulations and Standards and that, through the self-assessments set out in the report, they can take assurance that there is an effective system on internal control.
- 10.3 In considering the CIPFA self-assessment checklists, Members of the Audit Committee expressed a wish to consider its performance further, perhaps receiving training in certain areas. It was agreed that this would be discussed with the new Internal Auditors in the closed part of the agenda.
- 10.4 The outgoing Internal Auditor reassured Committee Members that they have certainly contributed to various areas of the business, with their comments being taken onboard and fed into various processes. She added that she felt the Committee consistently picked up on pertinent issues and challenged where they needed to – there is definitely good practice by the Committee.

**11 DATES OF FUTURE MEETINGS**

- 11.1 It was agreed that the July and November meetings would stay in the diary as they are but additional dates in September and December would be added as contingency.  
**ACTION: Business Administration Officer to identify dates in September and December**

**12 ANY OTHER BUSINESS**

- 12.1 There was no other business.

*This part of the meeting closed at 11:21. TIAA and EY left the meeting.*

**PRIVATE AGENDA**

[A more detailed account of the discussions and decisions on the following items is contained in the confidential minutes]

**13 CLOSED MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 12 MARCH 2021 AND MATTERS ARISING (PAPER AC21/19)**

- 13.1 The minutes of the Audit Committee held on 12 March 2021 were agreed as a true record. The Chair will formally sign them at a future date when it is possible to do so.

**14 INTRODUCTORY DISCUSSION WITH NEW INTERNAL AUDITORS**

14.1 An introductory discussion took place between the new Internal Auditors and Members of the Audit Committee.

**15 ANY OTHER BUSINESS**

15.1 There was no other business.

*The meeting closed at 11:43.*

**SUMMARY OF ACTIONS**

Item	Action	Owner
2.2	Determine the appropriate/correct vehicle to approve or recommend the Treasury Management Strategy (action carried forward) <i>Update as at 08.07.21: The PCC will continue to approve the Treasury Management Strategy alongside and as part of his approval of the MTFP. The Audit Committee will continue to note the strategy as per the terms of reference.</i>	ACO / CFO
3.18	Internal Auditors to re-circulate page 3 of the Assurance Review of MoPI Project Implementation with the complete management response	TIAA
3.21	Assistant Chief Officer to investigate progress against the first two Corporate Health and Safety Recommendations and report back outside the meeting. <i>Update as at 08.07.21: Currently being progressed</i>	ACO
5.3	EY to provide the date on which they are aiming to issue their opinion <i>Update as at 08.07.21: Email from EY on 29.06.21 states "Based on the current phasing for Suffolk (and Norfolk) police, the 26 November Committee date would be suitable to achieve the aim."</i>	EY
11.1	Additional meetings - Business Administration Officer to identify dates in September and December and circulate diary invitations <i>Update as at 08.07.21: Action complete</i>	Business Administration Officer