



PAPER AC21/25

AUDIT COMMITTEE

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

PRESENT:

Audit Committee Members

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

Office of the Police and Crime Commissioner

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

Constabulary

Steve Jupp (Chief Constable) and Kenneth Kilpatrick (Assistant Chief Officer).

Present by invitation

Vicky Chong (Assistant Manager, Ernst and Young – External Auditor) and Anna O’Keeffe (Senior Manager, RSM – Internal Auditor)

Apologies

Dan Harris (Partner, RSM – Head of Internal Audit), Mark Hodgson (Associate Partner, Ernst and Young – External Auditor)

PUBLIC AGENDA

Prior to the formal start of the meeting, the Chair of the Audit Committee offered his congratulations to Tim Passmore in person 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 25 JUNE 2021 AND MATTERS ARISING (PAPER AC21/20)**

2.1 The minutes of the Audit Committee held on 25 June 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 the actions was provided as follows:

Item	Action	Outcome
2.2	Determine the appropriate/correct vehicle to approve or recommend the Treasury Management Strategy (action carried forward)	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.
3.18	Internal Auditors to re-circulate page 3 of the Assurance Review of MoPI Project Implementation with the complete management response	Complete
3.21	Assistant Chief Officer to investigate progress against the first two Corporate Health and Safety Recommendations and report back outside the meeting.	Confirmed that the Estate is fully compliant around fire alarms. In terms of responsible persons for each station/premises with assigned tasks in relation fire safety, this is currently under consideration by the Health & Safety Committee. The issue mainly arises from the number of people now working from home. The ACO is satisfied that the issue is not as significant as the report suggests. Action to remain open until decisions reached by Health & Safety Committee.
5.3	EY to provide the date on which they are aiming to issue their opinion	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."
11.1	Additional meetings - Business Administration Officer to identify dates in September and December and circulate diary invitations	Complete

- 2.3 An Audit Committee Member asked whether there had been any progress on training for members. The Chair said that he would speak to the internal auditors to see what could be offered and revert with a proposal at a future meeting.

ACTION: Chair to explore training options with internal auditors

3 INTERNAL AUDIT STRATEGY AND ANNUAL INTERNAL AUDIT PLAN 2021/22 (PAPER AC21/21)

- 3.1 The Senior Internal Audit Manager presented this report. She emphasised that the plan remains flexible depending on the views of Management and Audit Committee Members and invited comment.

- 3.2 The Chief Executive expressed his concern at the presentation of the Internal Audit Strategy at Appendix C of the report. No comprehensive explanation of the assurance map is included. In addition, the colour coding of the Risk Register references when interpreted using the key alongside the table, would seem to suggest that there are areas of “Minimal Assurance / Poor Progress” which is not the case. As the document is in the public domain, clearer presentation would be helpful.

- 3.3 The Senior Internal Audit Manager clarified that the key provided alongside the table referred to the assurance fields. The colours of the Risk Register references were as per Suffolk’s own red-amber-green (RAG) risk ratings on the registers. They do not relate to the key. She acknowledged that this could be confusing and the colour codes for the Risk Register references could be removed. In addition, an explanation of the assurance map can be included.

ACTION: Colour codes for Risk Register references to be removed and an explanation of the assurance map included.

- 3.4 The Chief Executive then requested to see papers prior to publication and it was agreed that the Chief Executive would be included in the circulation along with the ACOs and CFOs.

ACTION: Chief Executive to be included in the circulation of any papers prior to publication

- 3.5 With regard to the planned audits, Management and Audit Committee Members requested the following be taken into account:

3.5.1 Workforce Planning: Would like to see recording of training and succession planning.

3.5.2 Data Quality: Suggested that this be a follow up as the previous internal auditors undertook an audit relatively recently.

3.5.3 Transformation and Strategic Planning: Suggested lighter touch rather than full review as previous internal auditors undertook an audit relatively recently.

- 3.5.4 Risk Management: Suggested different approaches taken to the Constabulary and OPCC sides of the audit as OPCC does not consider “deep dive” necessary. Focus therefore to be on the Constabulary.
- 3.5.5 Carbon Neutral: Suggested this be included as Suffolk is part of a county-wide public sector initiative with the aspiration to be carbon neutral by 2030.
- 3.6 The Assistant Chief Officer said that further comments, particularly with regard to timings of audits, would be sought from Strategic Business and Operational Services (SBOS) and these would be communicated to the internal auditors.
- 3.7 The Senior Internal Audit Manager noted the points made at 3.5 and 3.6 above and confirmed they would be considered and changes implemented as appropriate.
ACTION: Comments from Management, Audit Committee Members and SBOS on the internal audit plan to be considered by the internal auditors and changes implemented as appropriate.
- 3.8 The Committee went on to discuss the transition from the previous internal auditors (TIAA) to the new (RSM). Concern was expressed about various matters including the risk of recommendations being “lost” and also whether priorities were being driven by budget (given that some areas are not being audited due to budget constraints).
- 3.9 The Assistant Chief Officer confirmed that the budget for RSM remains the same as it was for TIAA and is used in the most judicious way. RSM’s audits focus on the contents of the Annual Governance Statements with the opportunity to fund further audits as deemed necessary. Where possible, the audits will take place at high level rather than at transactional level. He also confirmed that he has had a number of meetings with both RSM and TIAA to ensure a comprehensive handover. However, he said that he would be happy to provide a rationale as to why certain areas are not being included.
ACTION: Rationale to be provided as to why certain areas of the business will not be audited.
- 3.10 The Senior Internal Audit Manager (RSM) also confirmed that a handover meeting with TIAA has taken place and RSM is satisfied that there are no “gaps” in the handover. TIAA will provide RSM with any necessary reports as they are completed. In addition it needs to be remembered that the two organisations have different approaches and use different styles of presentation. Audits may appear under different names or be incorporated with other audits in a way that has not been done previously.
- 3.11 In addition, the Assistant Chief Officer has facilitated the link between RSM and TIAA with regard to issuing their opinions. TIAA will provide an Opinion for the first three months of the financial year which they audited, with RSM providing their Opinion for the remainder. RSM and TIAA will produce their Opinions and submit them to the ACOs and CFOs for review.

- 3.12 The final appendix to this Report (Appendix D) was the Internal Audit Charter. An Audit Committee Member asked that the results of the External Quality Assessment recently undertaken by the Institute of Internal Auditors be shared when available.

ACTION: Internal Auditors to share the results of their External Quality Assessment

- 3.13 The Audit Committee Member went on to ask what the process was in terms of complaints and resolution as this is not mentioned in the Charter. The Senior Internal Audit Manager said that lines of communication would always be open if anyone had issues to raise. The Assistant Chief Officer added that the more formal routes were covered in the contract as agreed between RSM and 7Force Procurement.

4 AUDIT PLAN ADDENDUM – VALUE FOR MONEY RISK ASSESSMENT (PAPER AC21/22)

- 4.1 The Assistant Manager for External Audit presented this report, which the Audit Committee noted.
- 4.2 She confirmed that when it came to Value for Money risks and identifying if there are any significant weaknesses, EY follows guidance as to what is taken into consideration. The process is not strictly codified and includes an element of professional judgement.
- 4.3 An Audit Committee Member requested further information with regard to the new requirement under the 2020 Code for the External Auditors to provide an Auditor's Annual Report – ie recipients of the report and whether it will be in the public domain.

ACTION: EY to clarify recipients and publication of new Auditor's Annual Report.

5 ANY OTHER BUSINESS

- 5.1 There was no other business.

This part of the meeting closed at 10:48.

PRIVATE AGENDA

6 CLOSED MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 25 JUNE 2021 AND MATTERS ARISING (PAPER AC21/23)

- 6.1 The minutes of the Audit Committee held on 25 June 2021 were agreed as a true record. The Chair will formally sign them at a future date when it is possible to do so.

7 ANY OTHER BUSINESS

7.1 There was no other business.

The meeting closed at 10:49

SUMMARY OF ACTIONS

Item	Action	Owner
2.3	Training options for Audit Committee Members to be explored with internal auditors and proposals brought to a future meeting.	Chair
3.3	Colour codes for Risk Register references to be removed and an explanation of the assurance map included.	Internal Auditors
3.4	Chief Executive to be included in the circulation of any papers prior to publication	Internal Auditors
3.7	Comments on the internal audit plan from Management, Audit Committee Members and SBOS (at paras 3.5 and 3.6 above) to be considered and changes implemented as appropriate.	Internal Auditors
3.9	Rationale to be provided as to why certain areas of the business will not be audited.	Assistant Chief Officer
3.12	Internal Auditors to share the results of their External Quality Assessment	Internal Auditors
4.3	EY to clarify recipients and publication of new Auditor's Annual Report	External Auditors