

AUDIT COMMITTEE

A meeting of the Suffolk Audit Committee was held at Police Headquarters Martlesham, and via Microsoft Teams at 09:30 on Tuesday 4 February 2025.

PRESENT:

Audit Committee Members

Rachel Ashley-Caunt, Karen Chapman, Tim Greenacre, and Hugh May (Chair).

Office of the Police and Crime Commissioner

Colette Batson (Chief Finance Officer), Kate Boswell (Executive Assistant to the PCC and Chief Executive), Sandra Graffham (Acting Chief Executive), Tim Passmore (Police and Crime Commissioner).

Constabulary

Ivan Fearn (Head of Financial Accounting and Specialist Functions), Rachel Kearton (Chief Constable), Kenneth Kilpatrick (Assistant Chief Officer), guest Claire Roach (DS Special Investigations – shadowing the Chief Constable).

Present by invitation

Debbie Hanson (Partner, Ernst and Young – External Auditor) via teams, Claire Lavery (Director of Audit, TIAA – Internal Auditor), Alison Riglar (Manager, Ernst and Young – External Auditor) via teams, Fiona Roe (Director, TIAA – Internal Auditor).

Apologies

Lindsey Hoy (Audit Committee Member)

PUBLIC AGENDA

1 DECLARATIONS OF INTERESTS

- 1.1 The Chair opened the meeting, introducing the External Auditors and member of the public in attendance.
- 1.2 The Chair asked for any declarations of interests not previously declared and recorded. No further declarations were received.

2 ACTIONS OF THE AUDIT COMMITTEE MEETING HELD ON 4 DECEMBER 2024 AND MATTERS ARISING (PAPER AC25/01)

- 2.1 The Internal Auditor advised that details of the outstanding actions had been emailed to all committee members on the 3 February 2025. The Audit Committee Chair proposed that any matters pertaining to this be emailed directly to the Internal Auditors, copying in the other members of the Audit Committee. Responses in relation to these actions should be copied to Kate Boswell to be disclosed in the minutes at the April meeting.

- 2.2 The Audit Committee agreed that the actions of the meeting held on the 4 December 2024 were agreed as an accurate record and approved by the Audit Committee Chair.

3 STATEMENT OF ACCOUNTS 2023/24 (PAPER AC25/02)

a. ERSNT AND YOUNG LLP COMPLETION REPORT FOR THE YEAR ENDING 31 MARCH 2024

- 3.1 The Chief Finance Officer (CFO) advised that the Letters of Representation were still being finalised by the External Auditor and were therefore not available at the meeting.
- 3.2 The External Auditor introduced the Audit Results Report which set out the findings from the work on the Financial Statement, noting any issues identified at a high level within the Value for Money Report. The External Auditor explained that due to the disclaimed opinion of the previous year and the combined backstop date, they were not able to give full assurance over the closing balances, therefore the opinion issued would again be disclaimed. Appendix A of the report provides a detailed summary of all key areas within the Financial Statement and whether assurance is full, substantial or partial. A significant weakness remains in relation to the data breach within the Value for Money (VFM) report, with work ongoing to deem if this is still a risk for 2023/24.
- 3.3 The External Auditor advised that the final report from the pensions team remains outstanding, as there has been a delay in signing due to a discrepancy in terms of life expectancies. The External Auditor did not know when it would be finalised but was expecting it to receive full assurance.
- 3.4 The External Auditor noted there was at least one lease without a lease agreement in place, and a further lease with a disclosure. Although it wouldn't have any impact on the overall financial conclusion, it would be noted as a control weakness.
- 3.5 The External Auditor advised that although Suffolk expect to be below the threshold for the Whole of Government Accounts (WGA) procedures on behalf of National Audit Office (NAO), the NAO have yet to confirm if any additional procedures are to be undertaken by individual bodies. Confirmation on this is expected by the end of February, therefore the External Auditor may not be able to issue a certificate to confirm they have undertaken all their responsibilities under the NAO code when giving their opinion, however this would not stop the Financial Statement Opinion being issued. The External Auditor confirmed they were confident that they would be able to sign off the accounts before the backstop date of 28 February 2025.
- 3.6 The Police and Crime Commissioner (PCC) asked what had changed between the signing-off of last year's accounts, and the delay to this year's in relation to the additional information required pertaining to the data breach. The External Auditor responded that the data breach was reported as a significant weakness in governance arrangements in both 2021/22 and 2022/23, and it continues to be identified as a risk in 2023/24 as initial responses to enquiries did not provide the evidence required to justify a removal of the risk. Further details have been requested to support agreement that there is no longer a weakness in governance arrangements.

- 3.7 The PCC asked about the financial controls as detailed on p31 of the report, and the £13K to HMRC dating back 10 years. The External Auditor responded that it was a small balance on a control account that had not been reviewed and closed. Management had been advised.
- 3.8 The PCC asked which 2 leases were referenced within the report and asked if in future a description could be added. The External Auditor responded that the recommendation made in the last full audit year of 2021/22 had been followed up as part of the audit and identified as a control issue. The Head of Financial Accounting and Specialist Functions added that the leases referenced in the audit relate to shared leases with the Fire Service, which require Suffolk County Council to finalise the documentation. Estates are continuing to chase.
- 3.9 An Audit Committee Member asked if the 2022/23 disclaimed audit opinion would impact next year's accounts. The External Auditor confirmed that it was expected to impact the 2024/25 accounts and advised it would take approximately 3-5 years for the disclaimed audit opinion to be fully worked through. For next year's audit they would expect a modified audit opinion. An Audit Committee Member asked if anything can be done to improve a modified opinion. The External Auditor replied no, confirming they would share the programme of work and that the 2024/25 accounts had a backstop date of February 2026, however work was ongoing to rebuild the assurance.
- 3.10 The CFO asked if the pensions opinion was not received from the External Auditor ahead of the backstop date, would it impact the modified disclaimed opinion next year. The External Auditor responded that the pensions opinion would need to be resolved but it would not impact significantly on 2023/24 or 2025/26 opinions.
- 3.11 An Audit Committee Member asked the External Auditors whether there were any areas where levels of assurance are provided using data analytics, and if so, does it reduce the use of sampling. The External Auditor confirmed data analytics had been in place for several years and is used to provide assurance in areas such as payroll and journals, moving forward the 2024/25 audit would see greater use of analytics.
- b. PCC LETTER OF REPRESENTATION
 c. CC LETTER OF REPRESENTATION
 Documents to Follow
- 3.12 An Audit Committee Member asked for a timescale for receipt of the letter of representation. The External Auditor confirmed it was expected to be the end of the week.
- 3.13 The Audit Committee Chair proposed that the PCC, Chief Constable, CFO and Assistant Chief Officer (ACO), who are mandated to sign the letters, do so without sharing them with the committee. The External Auditor advised there was no significant change to this year's letter compared to the prior year. The Audit Committee Members agreed with this approach.

- d. PCC ANNUAL GOVERNANCE STATEMENT

- 3.14 The CFO advised that amends to the Annual Governance Statement (AGS) had been updated in line with comments received from the Audit Committee when the draft AGS was reviewed in July 2024 and invited any further questions or comments.
- 3.15 An Audit Committee Member queried the reference to the Chief Executive being a solicitor on page 9 of the AGS. The CFO responded that this related to the Chief Executive in the position during 2023/24 and was therefore accurate.
- 3.16 An Audit Committee Member asked if the Gifts and Hospitality register was up to date on the Office of the Police and Crime Commissioner (OPCC) website. The CFO replied that it would be checked.
- 3.17 The Audit Committee Members were happy to recommend the PCC AGS.

e. CC ANNUAL GOVERNANCE STATEMENT

- 3.18 The ACO advised that amends had been made to the Chief Constables AGS based on comments previously received from the Audit Committee and invited further questions on the report.
- 3.19 The Audit Committee Members were happy to recommend the CC AGS.

f. PCC's GROUP and PCC STATEMENT OF ACCOUNTS

- 3.20 The Head of Financial Accounting and Specialist Functions advised there had been some minor amendments and the inclusion of contingent liability within the statement of accounts, however the document is in the public domain, and he invited any further questions.
- 3.21 The Audit Committee Members were happy to recommend the PCC Group and PCC Statement of Accounts.

g. CC STATEMENT OF ACCOUNTS

- 3.22 The Head of Financial Accounting and Specialist Functions advised there was an ongoing discussion around contingent liability relating to the Airwave Contract, which will potentially be removed.
- 3.23 No questions were received, and the Audit Committee Members were happy to recommend the CC Statement of Accounts.

4 FINAL ANNUAL INTERNAL AUDIT REPORT 2023/24 (PAPER AC25/03)

- 4.1 The Director of Internal Audit advised the draft version of the report had previously gone to the Audit Committee for comment. The Head of Internal Audit provided reasonable assurance for the report, which included the level of recommendation and a prior year comparison. The Audit

Summary looks at recommendation areas and highlights trends and areas of control weaknesses. Most of the recommendations are within the Compliance of Governance frameworks.

- 4.2 An Audit Committee Member asked, what impact additional days used on this year's audits may have in terms of planned days carried forward to 2024/25 and ensuring these audits are completed. The Internal Auditor responded that days are moved between audits as required, allowing flexibility to deliver them. An Audit Committee Member countered that none of the audits listed showed a reduction in days, therefore what will the impact be of these 5 additional days. The Internal Auditor replied that there wouldn't be any impact on delivering the audits, as some of those audits would have reduced days going forward. An Audit Committee Member asked whether the PCC would be subject to additional costs in event of the Internal Auditor being unable to catch up with the scheduled work. The Internal Auditor confirmed that there would not be any additional days charged, and that days would be moved between audits as required.
- 4.3 An Audit Committee Member asked what happens when the target number of audits are not met, as noted on page 2 of the report detailed within performance measures. The Internal Auditor responded that the backlog related to a break in the contract 3 years ago, and the late award of the contract, resulting in the team having to play catch up, alongside some staff issues last year. However, the Internal Auditor felt the tide has turned, the newly implemented protocol to speed up the process was working, and the team were on the right trajectory. The 5 audits carried forward into next year would enable them to have a complete catch up with the resource in place to deliver.
- 4.4 An Audit Committee Member commented if performance measures are going to be used, they need to be reported on more than annually. They also advised the plan should focus on delivery quality, rather than focussing on the number of days overall. The Internal Auditor responded that they would welcome this approach and would include it in the draft plan, to take forward into future years. They also suggested that the performance measures could be added to the SICA reports going forward.
- 4.5 The PCC requested it be noted that the service provided by Internal Audit is fundamental. Audits must be delivered on time, and this needed improvement.
- 4.6 The ACO suggested they check the performance management and 10 working day figures to ensure timeframes are realistic, bringing any recommendations back to the committee.
ACTION – ACO to check the performance management figures and the 10-working day timeframe figures are realistic and report back to the committee.
- 4.7 The CFO stated there was a draft report issued on 8 January, but the exit meeting was yet to be arranged, how would this effect the performance statistics? The Internal Auditor responded that exit meetings can be challenging to organise with the appropriate parties and are scheduled at the beginning of an audit wherever possible. They advised they would check that KPIs matched the processes being followed to ensure they were not setting themselves up for failure.
ACTION – The Internal Auditor to check KPIs against processes to ensure accurate reporting.

- 4.8 An Audit Committee Member asked if the timeframe for implementation is considered within performance. The Internal Auditor responded that performance looks at the whole process and the journey to completion.
- 4.9 An Audit Committee Member asked if any trends had been identified with audit areas that have moved from limited assurance to reasonable assurance, and if not, could this be incorporated within the performance measure. The Internal Auditor noted this suggestion.
- 4.10 An Audit Committee Member asked if the advisory recommendations are tracked. The Internal Auditor advised that they encourage the client to track advisory recommendations rather than doing it themselves, but this could be done.
- 4.11 An Audit Committee Member asked if the Project Management Office (PMO) had validated the performance statistics, and did they get reconciled internally against them. The Internal Auditor advised that they did not.

5 SUMMARY OF INTERNAL CONTROLS (PAPER AC25/04)

- 5.1 The Internal Auditor highlighted that 5 final audit reports had been issued since the previous meeting, with the majority receiving reasonable and substantial assurances. There were also a couple of audits that had been issued at draft stage. Appendix B of the report provides details of the audits intentionally brought forward, and the 2024/25 plan.

Risk Management

- 5.2 The Internal Auditor confirmed the Risk Management audit received a reasonable assurance opinion, and for transparency one recommendation was not accepted by management.
- 5.3 The PCC asked with reference to finding 2, that the risk management arrangements had not been reviewed by the audit committee as per the risk management policy, what further actions were required. The Internal Auditor advised that management would need to amend the policy and align with the practice, it would then need to be brought to the committee for consideration. An Audit Committee Member asked if the Terms of Reference were updated would this recommendation be closed off. The CFO confirmed that it would address most of the issue.
- 5.4 The Audit Committee Chair raised that it is rare to have a recommendation not agreed and asked if there are any sensitivities between the leadership team and Internal Audit. The Internal Auditor responded that they didn't feel there were any issues, that they could see the value of the recommendation, but sometimes the logistics of implementation can be problematic, therefore it is a risk that management are willing to take.
- 5.5 An Audit Committee Member asked what the implications were with the organisational board having been removed from the governance structure. The Internal Auditor advised they would find out and report back to the Audit Committee.

ACTION – Internal Auditor to look at the implications for the organisational board having been removed from the governance structure.

Corporate HR Policies

- 5.6 The Internal Auditor advised that the Corporate HR Policies audit received substantial assurance, with one recommendation made.
- 5.7 An Audit Committee Member commented that the report represented 66 days of audit work summarised across 5 reports, and could the overall assessment include the results of the previous audit compared to the current results. Were there improvements that could be made so the committee gets a better idea of the work completed and the progress made. The Internal Auditor responded that the audit was about HR Policies specifically and there was a concise programme to ensure the right policies were updated. However, they would take on board the feedback on how the summary could be expanded.

Vetting

- 5.8 The Vetting audit delivered reasonable assurance with recommendations made between HR and Salto to ensure improvements in how they work together and to minimise risks, including steps required to be taken in a data matching exercise. It was recommended that a reminder be issued to all vetting staff, that Opensource is required to check social media accounts for all personnel undergoing the vetting renewal process.
- 5.9 An Audit Committee Member asked with regard recommendation two, how would it be managed moving forward. The Internal Auditor confirmed that checks had been implemented and the individual who believed that social media checks weren't required for a vetting renewal was reminded of the correct process to follow.
- 5.10 An Audit Committee Member asked how the level of allocated days was calculated for vetting vs risk, as it seemed the number of allocated days was low for a relatively high-risk area. The Internal Auditor responded that only one department and one team was audited, which resulted in fewer days required. An Audit Committee Member added that looking at the forward plan for 2025/26 audit it would be helpful to understand the scale behind these days, and how this can be documented in a summary form for the committee to understand.
- 5.11 The PCC asked how vetting for contractors is followed up to ensure that recommendations have been implemented and that they are working. The Internal Auditor replied that a combined approach is taken, if they are cyclical, they would be revisited, or it could be a follow up with sample testing. If the recommendations haven't been implemented, the audit wouldn't be closed and a new date to revisit would be implemented, with this information being shared with both the ACO & CFO.

Fleet Audit

- 5.12 The Fleet Audit received reasonable assurance, with three important and four routine recommendations made.
- 5.13 An Audit Committee Member asked if there were any concerns raised relating to the disposal of vehicles. The Internal Auditor responded that there were no issues with this area, so it was not included within the summary.
- 5.14 An Audit Committee Member asked when it would be known if the tablets that are being introduced have worked. The Internal Auditor commented that the tablets were identified as good practice, and the team continue to make improvements.
- 5.15 An Audit Committee Member asked what risks for health & safety, fraud, and value for money were within the scope of the audit. It would have been useful and good practice for these areas to have been identified within the original scope. The Internal Auditor noted these comments.

Recruitment and Induction Training

- 5.16 The Recruitment and Induction Training audit received reasonable assurance, with various recommendations raised.
- 5.17 The PCC asked why the timeframe for a probation policy was so long. The Internal Auditor replied that it was the timeframe that management advised they could achieve.
- 5.18 An Audit Committee Member raised the key strategic risks within the executive summary, asking if there is a standardised way it could be approached with a view to understanding what is being tested. The Internal Audit agreed that a consistent approach moving forward is required.
- 5.19 An Audit Committee Member referred to recommendation four, stating that if there were regular reviews of the risk register surely the issue would have been picked up within recruitment before. The Internal Auditor responded that the Recruitment and Induction Training audit was completed after the Risk audit, and so was picked up at a different time.

Appendix B

- 5.20 An Audit Committee Member asked if the delays to both the ICT Cyber Security and Strategy audits are being managed. The Internal Auditor confirmed the audits had been escalated to the PMO office and prioritised for completion.
- 5.21 An Audit Committee Member asked if the further delays to the Change Management Audit were due to ongoing consultancy work. The Internal Auditor confirmed it was the case, and the audit was now planned for October 2025.
- 5.22 An Audit Committee Member asked how the crossover of the following audit areas; Change Management, Performance Framework, and Culture, had been considered within the scope. The Internal Auditor confirmed that the Culture audit was at draft stage, and the Change Management

audit would be looking at projects and how they are scoped and managed overall. The ACO proposed that the Audit Committee Members received a short presentation at the July meeting on the work being completed by the Joint Transformation Team and how they work with the PMO, prior to the audit being completed in October 2025. The Audit Committee Members agreed, with the Chair requesting a copy of the Change Management Audit scope.

ACTION – ACO to arrange a short presentation from the Joint Transformation Team for the Audit Committee at the July Meeting, and the Internal Auditor to provide a copy of the scope of the Change Management Audit.

- 5.23 An Audit Committee Member asked if there are scopes for all planned audits, and if so could they be sent to them. The Internal Auditor replied that scoping takes place when audits are initially outlined, and then a month before the audit is due to commence a meeting takes place to finalise the scope.

Appendix C

- 5.24 There were no overdue recommendations.

Appendix D

- 5.25 An Audit Committee Member asked if the Windows 10 upgrade was a potential security risk for the organisation. The ACO responded that work was ongoing to move to Windows 11 before Windows 10 goes out of support.

6 DRAFT INTERNAL AUDIT PLAN 2025/26 (PAPER AC25/05)

- 6.1 The Internal Auditor presented the initial draft of the Internal Audit Plan 2025/26 and invited comments and questions.
- 6.2 An Audit Committee Member asked if the Safeguarding Report audit for 2024/25 had been delayed to 2025/26. The Internal Auditor confirmed it had.
- 6.3 An Audit Committee Member asked if it was possible to see links between audits in the high-level scopes on page 9 of the report, and for the AI audit scope to include the definition of what “effective use” means. The Internal Auditor responded that the “effective use” term was intentionally vague, as it is a new audit area and further guidance around use of wording is yet to be confirmed.
- 6.4 An Audit Committee Member queried if the last Culture and Required Behaviour audit should be dated 2024/25, not 2023/24. The Internal Auditor confirmed it would be updated.
- ACTION – Internal Auditor to update the Culture and Required Behaviour previous audit date.**
- 6.5 An Audit Committee Member asked why the Disaster Recovery audit was not being considered until 2027/28. The Internal Auditor noted this viewpoint.

- 6.6 The PCC asked if recommendations will be made to partners and the role they play when the audit on partnership is undertaken. The Internal Auditor responded that it could be included.
- 6.7 The PCC highlighted that the Estates Strategy was being re-written as part of the new Police and Crime Plan, this could affect audit planning.
- 6.8 An Audit Committee Member asked if leases were covered under any internal audit plan as picked up by the External Audit report. The Internal Auditor advised that there will be elements under capital management when checking compliance.
- 6.9 An Audit Committee Member asked if grant funding was compliant. The Internal Auditor confirmed grant funding was covered within the Commissioning audit.
- 6.10 The CFO asked what period of assurance would be tested for those audits paused last year, and moved into 2025/26, and requested that any audits undertaken in 2025/26 need to report only on data for 2025/26. The Internal Auditor noted these comments and suggested an additional column within the report may help to demonstrate this better visually.
- 6.11 An Audit Committee Member asked why the Pensions Audit, paused from 2024/25, hasn't been rescheduled. The Internal Auditors advised they would investigate this.
ACTION – Internal Auditor to look at why the paused 2024/25 Pensions Audit hasn't been rescheduled.
- 6.12 An Audit Committee Member asked if the Key Risk Consideration box on the first page was the view of Management or the Internal Auditor, adding that the 2025/26 plan does not have any audit activity being directed at these identified risks. The Internal Auditor confirmed it was their view as based on the national audit environment, and that these areas are all being looked at, with some having been undertaken already and others included within other audit areas of the plan.
- 6.13 An Audit Committee Member asked for assurance that the areas with the most significant risks are prioritised despite limited audit resources. The Internal Auditor replied that they review the risk registers when putting the plan together.
- 6.14 The PCC commented that with the developing discussions relating to devolution for Suffolk, there are potential implications for governance and how it will be managed. This risk needs to be considered. The Internal Auditor confirmed that devolution is an area that is being monitored.
- 6.15 An Audit Committee Member asked for reassurance that the plan is deliverable for 2025/26 considering the delays seen in 2024/25. The Internal Auditor responded that the audit days had reduced, and that the decision to carry 5 audits forward into next year, alongside the positive improvement in the working relationship with the PMO office meant they were confident of its achievability. From a management perspective the CFO advised that they had only recently been given sight of the plan so there was further work and discussion required before its release to ensure achievability within the organisation.

- 6.16 An Audit Committee Member asked if the next version of the plan could include when the last audit report was published, what level of assurance it received, and the date of its next audit.

ACTION – Internal Audit to update to the plan document to include the following details; when the last audit report was published, what level of assurance it received, and the date of its next audit.

- 6.18 An Audit Committee Member raised the concern that the committee was considering the plan, but it had not approved the plan today. The Internal Auditor confirmed that the plan would require approval contractually for them to go ahead with it.

7 INVESTMENT AND TREASURY MANAGEMENT STRATEGY STATEMENT (PAPER AC25/06)

- 7.1 The Head of Financial Accounting and Specialist Functions highlighted the 2025/26 plan as approved by the PCC. The core of the strategy was unchanged from the prior year, but the key indicators had moved for 2025/26.
- 7.2 The Audit Committee Members formally noted the report.

8 ANY OTHER BUSINESS

- 8.1 No further items raised.

The meeting ended at 12:12

SUMMARY OF ACTIONS

Item	Action	Owner
4.6	ACO to check the performance management figures and the 10-working day timeframe figures are realistic and report back to the committee.	ACO
4.7	The Internal Auditor to check the KPIs match the processes being followed to ensure accurate reporting.	Internal Auditor
5.5	The Internal Auditor to look at the implications for the organisational board having been removed from the governance structure.	Internal Auditor
5.22	ACO to arrange a short presentation from the Joint Transformation Team for the Audit Committee at the July Meeting, and the Internal Auditor to provide a copy of the scope of the Change Management Audit.	ACO & Internal Auditor
6.4	Internal Auditor to update the Culture and Required Behaviour previous audit date.	Internal Auditor
6.11	Internal Auditor to look at why the paused 2024/25 Pensions Audit hasn't been rescheduled.	Internal Auditor
6.16	Internal Audit to update to the plan document to include the following details; when the last audit report was published, what level of assurance it received, and the date of its next audit.	Internal Auditor