

**Joint Audit Committee of the Police and Crime Commissioner
for Bedfordshire and Bedfordshire Police**

Minutes are restricted in part

Meeting of 4th March 2021 (Microsoft Teams)

Held between 10:00 – 12:00

Minutes - draft

Present:

Jagtar Singh – Chair (JS)	Independent Committee Member
Judit Seymour (IM JSM)	Independent Committee Member
Gita Raja (IM GR)	Independent Committee Member
Wayne Brads (IM WB)	Independent Committee Member
Clare Kelly (CEO)	Chief Executive - OPCC
Phil Wells (CFO)	Chief Finance Officer – Bedfordshire Police
Rachel Brittain (BDO)	BDO – External Auditors
Suzanne Rowlett (RSM)	RSM – Internal Auditors
Katie Beaumont (TM)	Transparency Manager
Bethany Coles (CO)	Compliance Officer
Tara Malciw (PA)	PA – Minute taker

	Part One – Not Restricted	
21/JAC/01	<p>Apologies</p> <p>Apologies were noted for DCC Trevor Rodenhurst.</p>	PA
21/JAC/02	<p>Minutes of the meeting held on 26th November 2020 (Restricted in part).</p> <p>The minutes of the previous meeting were approved subject to the following amendments;</p> <p>RSM SR suggested amendments using tracked changes, the amendments were accepted.</p> <p>IM GR advised the following grammatical/ spelling errors required correction;</p>	Chair

	<ul style="list-style-type: none"> Page 5, paragraph 4, to remove “reviewed this” as it is repeated. Page 7, amend “the Force was” to “the Force were”. Page 9, add an “e” the end of “precis” 	
21/JAC/03	<p>Action Log:</p> <p>Updated in line with discussions</p>	Chair
21/JAC/04	<p>Matters Arising</p> <p>The Chair advised there were no matters arising.</p>	Chair
21/JAC/05	<p>Declarations of Interest</p> <p>The Chair advised there were no declarations of interest.</p>	Chair
Part One – Not Restricted		
21/JAC/06	<p>Terms of Reference</p> <p>The Chair advised the Terms of Reference were approved in the pre-meeting. The Terms of Reference will be reviewed in 12 months or when new a committee is formed.</p>	CEO
21/JAC/07	<p>Strategic Risk Register of the Police and Crime Commissioner for Bedfordshire</p> <p>CEO advised the following changes were made as agreed at the Business Review meeting. CEO advised the SRR was linked to the original Police and Crime Plan which was achieved in the PCC’s 4th year, therefore the SRR will be reevaluated for the upcoming transitional year and a new SRR will be presented at the next JAC meeting.</p> <p>CEO advised clarity is required regarding the terms used such as Candidate, PCC and the OPCC as they are viewed as an entirety.</p> <p>CEO advised elections are taking place on May 6th 2021 and a new PCC will start in post on 13th May 2021. A Police and Crime Plan will be prepared but not submitted until the new PCC’s pledges are known, the SRR will therefore be tentative for a few months until the new PCC progresses into their service.</p> <p>SR1: CEO advised the financial plans have been signed of at Strategic Board and by the Police and Crime Panel, acknowledging the precept change in February 2021.</p> <p>SR2: CEO advised the wording relating to the Police and Crime Plan has been removed, the efficiency element remains as this is a statutory duty.</p> <p>SR3: There is no significant change. IM JSM agreed with the need for clarity.</p> <p>SR5: CEO advised the Police and Crime Plan element has been removed and the focus is on their statutory duties. Pre-election is due on 22nd March 2021, there is a risk if the PCC does not agree to provide a plan. CEO advised £300,000.00 has been saved to support the new PCCs bespoke plan, however there are statutory elements that will continue to be delivered.</p>	BDO

CEO advised partnership-based events have continued successfully using virtual methods, positive feedback was received following the event held in December.

SR6: CEO proposed to remove the risk as this will be resolved at the Police and Crime Panel meeting on 22nd March 2021.

SR7: CEO advised this risk has been resolved and will be presented to all Police and Crime Commissioner candidates on 11th March 2021. The presentation includes the existing OPCC structure and the previous structure to evidence the value for money provided previously with a small team. The current structure is better resourced to support the Charity and Signpost work taken on recently by the OPCC. CEO advised there will be a need to adjust the OPCC to support the objectives and pledges of the new PCC.

SR8: CEO advised this has been removed as previously agreed.

The Chair advised that JAC members will likely be contacted by candidates for support, the candidate can ask for an interview with the full JAC committee, the Chair or Independent Members. The Chair asked for a consistent message to be provided to all candidates detailing the availability of the JAC. CEO asked for all contact to be managed through the OPCC to ensure transparency.

ACTION: CEO and CFO to prepare and release a statement to all PCCs candidates detailing the availability of interviews with JAC members.

IM WB suggested that SR7 should remain on the SRR until the new PCC is in post and through their transition period, as the PCC should be encouraged to work with the OPCC currently in place.

The Chair advised that the CEO has brought stability to the OPCC and has provided clarity and understanding of the SRR, their service to this committee is exemplary.

IM GR asked how would SR7 be monitored if it was removed from the SRR? IM GR also asked whether the risk rating for SR2 and SR3 should be increased due to uncertainty and recruitment considerations. CEO advised the position is believed to be correct as the funding model isn't changing, the force is increasing the number of successful bids placed and there are no drastic efficiencies required. CEO advised that the Strength of Assurance has increased as the Chief is working with the 7-Force collaboration to achieve a greater buying power, at present the risks are manageable. CEO advised SR1 is always higher due to the way the force is funded, however the Force continues to provide quality of service provided at the current resource level.

The Chair asked the CFO what the percentage difference is between the council tax and police grant. CEO advised there is a concern that the public are less able to pay their council tax due to the pandemic and the larger collection rate does not cover the difference. This is notified as a long-term issue. CFO advised that most PCCs have progressed with the maximum council tax increase permitted therefore the national picture has not changed. This change to funding has been built into calculations and the Billing Authorities have allowed the deficit to be funded over 3

	<p>years. CFO advised this has been addressed in the medium-term financial plan and has influenced the 2021/2022 budget which is predicting a deficit. CEO advised CO produced a chart evidencing the council tax deficit impact on forces.</p> <p>ACTION: CO to share the chart evidencing the council tax deficits impact on forces with the JAC members.</p>	
21/JAC/08	<p>External Audit</p> <p>a) 19/20 Annual Audit Letter</p> <p>BDO RB addressed a suggested £16,000.00 increase in Auditing fees is detailed on page 8 of the report, the need for an increase is replicated across the nation. BDO RB advised the auditors are required to undertake additional procedures to provide the assurances needed to deliver safe opinion. BDO RB advised the projected increase is proposed as a reoccurring increase and is based on historical usage of the auditors. BDO RB advised the value will be agreed with CFO and then progressed to PSAA and through the official approval process.</p> <p>IM JSM asked whether this increase in demand is replicated across other sectors? Will the ambit of the audit include BCH and/ or the 7- Force collaboration? Will audits acknowledge lessons learned and good practise evidenced through the pandemic? BDO RB advised the items questioned are included in the audit plan for next year.</p> <p>IM WB asked whether the value requested is proportionate to that seen by other Forces? CFO advised there is a common acceptance that there is extra demand on external auditors, work is ongoing to obtain a benchmark against other Forces across the Region and the nation.</p> <p>b) 20/21 Audit Plan</p> <p>BDO RB advised that on page 4, it is proposed that planning materiality for the Group and the Chief Constable use for the pension fund will be 2% of the prior year Police Pension Fund liability. Specific materiality for income and expenditure and other balance sheet items will be set to 2.25%. Planning materiality for the PCC will be set at 2% of prior year gross assets.</p> <p>BDO RB advised the fees are suggested as a reoccurring fee, however the audit scope is not yet fully understood.</p> <p>BDO RB advised that a deadline has not yet been confirmed as shown on page 10, however there is a proposal for the draft statement of accounts to be provided on 1st August 2021 ahead of the release of the auditors account on 30th September for audited account. BDO RB advised there are a number of audits there were not completed during the pandemic and could delay the deadline.</p> <p>BDO RB advised there are no new emerging risks on the financial statement, however there is a need to gain assurance of the risk of management overriding controls.</p>	<p>RSM</p> <p>CFO</p>

	<p>BDO RB advised there is a high level of uncertainty regarding the valuation of non-current assets, there is a need to obtain assurance in these areas of uncertainty.</p> <p>BDO RB advised page 25 detailed the revision to the ISA which may alter the approach to accounting estimates.</p> <p>BDO RB advised page 18 detailed a change on how Auditors report to JAC, as auditors are no longer required to give a conclusion on the arrangements but instead are required to present an Auditors Annual Report which replaces the annual Audit letter. BDO RB advised the Auditors are now required to give assurance on all areas. BDO RB advised it has not been agreed when the annual report will be published and it is suggested that changes should be reviewed on an ongoing basis, the auditor's report will provide a summary.</p> <p>BDO RB advised there is a need to risk assess the process and identify significant weakness to subsequently raise recommendations to improve those arrangements.</p> <p>IM GR asked whether the auditors will bench mark the force against other forces? How will the annual report be shared? Will it be presented to the CFO? BDO RB advised this process is conducted internally to ensure consistency, however if an action is raised regarding another Force, a question will be raised to see if this issue is replicated in Bedfordshire Police too.</p> <p>IM GR asked whether the valuation for the Pension Fund is based on a desktop exercise or the value that is seen? BDO RB advised the valuation is completed using a desktop exercise, there is a need to ensure all data provided to the auditors is accurate and current to allow accurate assurances to be made.</p> <p>BDO RB advised financial sustainability and collaboration are emerging risks for consideration. BDO RB advised regular contact is made with CFO to manage these risks.</p>	
21/JAC/09	<p>Internal Audit</p> <p>a) Progress against plan 2020/21</p> <p>RSM SR advised there are no negative assurances, any remaining work has been scheduled. RSM SR noted either positive or advisory assurances were provided.</p> <p>b) Internal audit plan 2021/2022</p> <p>RSM SR advised the Internal Audit Plan was developed in discussion with CEO, CFO and the CE for BCH. RSM SR advised the Police and Crime Plan is a key focus for the team, the proposed timing has not yet been confirmed to ensure the timing is right with the introduction of a new PCC.</p>	CFO

	<p>RSM SR advised bench marking will be used to ensure best practise for Complaints and Dissatisfaction Handling.</p> <p>RSM SR advised Brexit has been added as a contingency as the impacts are not yet fully understood.</p> <p>RSM SR advised page 7 present a collaborated audit plan. The review of payroll is now considered as a joint BCH review following the introduction of CARM.</p> <p>RSM SR advised the introduction of remote working has been addressed under appendix C.</p> <p>CFO advised that going forward there will be a single auditor for the entire 7-Force collaboration.</p> <p>c) Progress on recommendations</p> <p>CFO asked the members for questions. IM JSM asked whether the force is likely to overrun on the suggested timescales? CFO advised there is a need to re-look at the level of risk posed by the outstanding recommendations to ensure reporting is correct. The Chair advised there are some operational risks that pose a strategic risk too, such as the firearms training facility. CFO advised any operational risks will be presented to the JAC if they pose a strategic risk too.</p> <p>CFO advised the paper regarding payroll and expenses will be presented at the next meeting. CFO advised the review of JPS SRR will also be presented at the next JAC meeting in alignment with the Bedfordshire Police SRR.</p> <p>IM GR asked whether there is a plan to address overpayments and to recover costs, IM GR assumed the expenditure is not material. CFO agreed the expenditure is not material. CFO advised there is a greater amount of salary overpayments shown due to the change in HR system, previously the system was driven by the Forces payroll department, however this now sits with the tri-force HR department. IM GR asked whether there a plan to reduce the opportunity for fraud? CFO advised the new CARM system records peoples work times, it is no longer manually recorded, this eliminates the chance to declare overtime when it is not actually completed. The Chair advised he was assured by this.</p>	
21/JAC/10	<p>Force Overview</p> <p>CFO advised the Force Overview needs to be readdressed to ensure it provides the information required by the Independent Members.</p> <p>ACTION: All IMs to inform CFO of items to be included in the Force Overview.</p> <p>CFO advised the 2021 annual plan and controls strategy was released in January 2021, it is likely that the cost of Covid-19 will be addressed in 2021/2022.</p>	

	<p>CFO advised the performance summary evidence a rise in DA, cyber-crime, drugs trafficking and position. CFO advised some rates are reduced due to increased proactivity as allowed by a reduction in other crime types such as burglary and serious violence. CFO advised the increase in drugs crime could cause increases in other crime types such as gun crime.</p> <p>CFO advised the temporary custody building is being replaced by a permanent structure, the time scale for completion is March 2022.</p> <p>CFO advised the 2021/2022 budget was reviewed by the Police and Crime Panel and was approved with a majority vote based on the maximum council tax increase permitted.</p> <p>IM WB asked how the PCCs Police and Crime Plan relates to performance of the force to ensure the PCC is resourcing the correct departments. CFO advised the tasking of resources is completed by the Chief Constable through its PBB process. CFO suggested presenting the overview report in such a way that the JAC could see the link between force performance and the PCP</p> <p>ACTION: CFO to review the Performance section of the Force overview to present performance data related to the PCCs activity.</p> <p>IM JSM asked whether JAC members should be concerned about the governance of other projects. IM JSM asked what the time scale was for a decision on Op Costello funding? CFO advised 2 bids have been placed for funding following a conversation with the Home Office equating to £7.5 million. The first bid is for cost recovery from 2020/2021 and the second bid was to cover the cost of an 18-month programme to fund 50-60 officers to manage Op Costello. CFO advised the £2 million cost recovery cost has been agreed.</p> <p>CFO advised that with regards to projects, a dashboard is presented at a high level to Force Executive Board detailing which projects are red, amber or green, which can be shared with JAC.</p> <p>ACTION: CFO to present the Project Development Dashboard to JAC.</p> <p>IM JSM asked what savings have been allocated for 2021/2022. CFO advised the force requires £2 million savings to be incorporated into the budget programme, funding bids could allow the Force to delay savings, however there is not likely to be an impact on service delivery. CFO advised that the increase in police grant will not support the increase in costs, the Force continues to work through the PBB programme.</p>	
	Part Two – Restricted	
21/JAC/11	HMICFRS Update	CFO
21/JAC/12	Strategic Risk Register of Bedfordshire Police	DCC

21/JAC/13	Force Culture	
21/JAC/14	<p>AOB</p> <p>TM asked the Chair whether there is a need to review meeting dates to avoid Wednesdays as this is a non-working day for the Chair. The Chair advised that due to the inability to move from a Wednesday in some cases because of the commitments of the Force Executive members, he is happy to accommodate all Wednesday meetings currently arranged.</p> <p>TM asked reminded the JAC to complete and return their expenses form for payment.</p> <ul style="list-style-type: none"> • 04/03/2021 at 10:00hrs – 12:00hrs • 24/06/2021 at 13:00hrs – 15:00hrs (to be confirmed which date will be meeting or training day by PW) • 28/07/2021 at 12:30hrs – 15:30hrs (to be confirmed which date will be meeting or training day by PW) • 29/09/2021 at 10:30hrs – 12:30hrs • 02/12/2021 at 13:00hrs – 15:00hrs 	