

MINUTES

JOINT AUDIT COMMITTEE – EXTRAORDINARY MEETING

26th April 2024 08:30am to 10:00am

via Microsoft Teams

Members

Kevin Barwick (KB)	Audit Committee Member (Chair)
Sonya Edwards (SE)	Audit Committee Member
Simon Faraway (SF)	Audit Committee Member
Kashyap Pandya (KP)	Audit Committee Member
Julie Parker (JP)	Audit Committee Member

Attendees

Roger Hirst (RH)	Police, Fire and Crime Commissioner
Jane Gardner (JG)	Deputy Police, Fire and Crime Commissioner
Pippa Brent-Isherwood (PBI)	Chief Executive & Monitoring Officer, PFCC's office
Janet Perry (JPe)	Chief Financial Officer and Strategic Head of Performance and Resources PFCC's office
Jeremy White (JW)	Finance Manager, PFCC's office
Suzanne Harris (SH)	Head of Performance and Scrutiny (Police), PFCC's office
Ben-Julian Harrington (BJH)	Chief Constable, Essex Police
Debbie Martin (DM)	Chief Finance Officer, Essex Police
Matt Tokley (MT)	Chief Accountant, Essex Police

Joanne Brown (JB) Grant Thornton

Samantha Bardsley (SB) Minutes, PFCC's office

Guests

Emily Bownes (EB)	Head of Performance and Scrutiny (Fire), PFCC's office
Rick Hylton (RH)	Chief Fire Officer and Chief Executive, ECFRS
Neil Cross (NC)	Chief Financial Officer, ECFRS

Apologies

Parris Williams (PW) Grant Thornton

1 Welcome and Scene Setting (PFCC, Police and ECFRS accounts)

1.1 KB opened the meeting, asking RH to initiate the scene setting.

- 1.2 RH advised that decisions are required as to how the closure of the 2022/23 accounts is progressed. RH noted that strategic board meetings have been held for both EP and ECFRS and the outcomes, narrative and message show no particular surprises. The understanding from the auditors is that they are likely to be providing an unqualified and unmodified opinion, provided there is the pensions opinion, however it is known this is not possible. There is a question therefore as to whether to publish, encouraging the auditors to come through with a modified opinion on the basis they have done all of the work apart from the pensions piece, or to wait. RH advised that, as an important part of accountability, he was keen to get the accounts out and be clear what the concern and modification is about. This would also allow GT to complete their work and allow Ernst and Young (EY) to commence their work for the following year. RH, however, noted that the committee were the professionals and Independent Members and sought their advice.
- 1.3 KB recognised the position, noting it was clearly explained and was supportive of RH's view to publish now. JP advised she supported the view also as did KP, SF, SE and RHy.
- 1.4 BJH echoed the frustrations with the pensions piece and noted that the trust and confidence piece could not be stressed enough. He felt that having this in the public domain was really important and was pleased that the committee members were on board.
- 1.5 JB advised it was helpful to hear the conversation and that she appreciated the position we are in. Given the pension position, JB advised they are currently working internally to produce an audit opinion with a limitation of scope explaining why it is limited to this discrete area and once this is agreed in draft this will be shared. JB advised that, if it is decided to publish them on the website, a narrative is added explaining that the audit itself is concluded and is just waiting for pension fund assurances, but the auditors are comfortable with these accounts as they stand. JB also clarified that, although she cannot prejudge any future position, this is very ringfenced and hopefully by the time the 2023/24 work is completed there will be some pension fund assurance to work with. She therefore could not see a future limitation or qualification issue arising from this approach.
- 1.6 RH was pleased to note the similar view across the auditors, independent committee members, the Chief Constable and ECFRS team and was glad that everyone shared the view that the statements be shared.

RH, JB, NC, RHy and EB all left the meeting at 8:45

2 External Auditors Findings for Essex Police, Fire and Crime Commissioner and Chief Constable for year ending 31 March 2023

- 2.1 JPe presented an overview of the Audit Findings report, advising that the decision report went through all the changes that have been made, and noting that, despite the changes, the final position of the accounts remains unaltered.
- 2.2 JP noted there is an item about the follow up of previous year's recommendations. This is not an issue due to timescales, but when finalised there should be a time for going through the recommendations and understanding the position on them. DM agreed that

2021/22 was signed off in the January / February timescale and some recommendations were not possible before 31st March, but headway has been made. KP advised that, from his perspective, the recommendations need to be reviewed at the next meeting.

Action 18/24: A review of the follow up of 2021/22 recommendations to take place at the next JAC.

3 Review and recommendation of the Statement of Accounts for the year ending 31 March 2023 for the Police, Fire and Crime Commissioner and the Chief Constable

- 3.1 KB noted that, under item 2.2, there is wording about the delay. It was noted that the wording ought to be agreed and that it should appear in the statutory accounts somewhere, the recommendation from KB being to assure it is fully aligned with the wording of GT. The rationale for sign off is to be transparent and to give further context for those unaware of the nuances. JPe said the Strategic Boards want to publish immediately. There would therefore be two notices, one publishing and saying there is no audit opinion yet due to the pension assurance delay, and the second when we get the GT opinion and agree that with GT. BJH advised for the record that EP supported this completely. KP advised that he thought the approach was the right one, noting that, as far as the committee is concerned, what JPe has said makes sense, however, what might want to be said is that the accounts are being published without an opinion now because of the need for transparency and openness, given the time lag that has taken place. JP warned of the need to be cautious and that assumptions should not be made about what might be seen in the future.
- 3.2 KP raised if there should be a requirement to take legal advice to support what is happening at this stage. Subsequent discussion was that the committee is confident in the decisions made and that legal advice would not be of benefit at this time.
- 3.3 KB asked if a formal recommendation to proceed on the basis discussed was wanted. JPe confirmed that both the group and the PFCC accounts and the Chief Constable accounts would require this recommendation please.
- 3.4 It was confirmed that the members of the audit committee are recommending that both sets of accounts are signed by the PFCC and Chief Constable.
- 3.5 JPe asked if the members would like to see the final wording of the audit opinion before publication. KB asked if the final wording could be shared with members before they are signed by GT.

Action 19/24: JPe to share the final wording of the audit opinion with members before final publication of the accounts for 2022/23.

- 3.6 DM asked for some guidance on what date they should aim to have these signed by, mentioning perhaps 30th April. KB advised that the financial statements would be signed off by the end of May based on JB's assumption they would have their piece done by the 8th May but that it was not for the committee to specify a date for the PFCC and the Chief to sign off their accounts. PBI advised there was no issue with publishing so close to the election period and suggested, if a date is to be specified, that an absolute end date of the end of the electoral term, which is six days after the election, would be sensible.

4 Approval of paper classifications for publication

- 4.1 Item 2 cannot be published as this is in draft. Item 3 to be published as agreed in the meeting.
- 4.2 JP raised that, in the report, the value for money report is referred to but is not presented alongside this report. DM advised that a draft has been received but that it is not in a position for commenting yet.

Action 20/24: DM to ensure GT signs the final VFM report before their contract ends.

5 Any Other Business and Close

- 5.1 KB raised that, now it is past March 2024, and we are into the planning for the audit for next year, they were quorate for the approval for the publication of the March 2024 accounts scheduled for the meeting on 28 May 2024. KB asked if these accounts could be sent to the committee members as soon as possible as JP's insight would be valuable being as she will be unable to be present on 28 May 2024 meeting.
- 5.2 KB raised the onboarding of the new auditors and asked if there were any issues. JPe advised there were no issues she was aware of. DM noted that JB advised that, because they weren't appointed via the PSAA and it was a contract, once they have signed for the statement of accounts 2022/23, that is the end of their contract, and they did not think they would be resigning but the signature on the accounts would notify the end. JPe advised she would speak to the new auditors about this.

Action 21/24: JPe to discuss with EY the handover process with GT.

- 5.3 There being no further business the meeting closed at 09:30 hours.