JAC
Joint Audit Committee

MINUTES

Monday 26th January 2026	10:00hrs – 12:00hrs	MS Teams

PRESENT:	
Paul Smith (PS)	**Chair, Independent Member**
Andrew Godman **(AG)**	Independent Member
Jonathan Flowers **(JF)**	Independent Member
Lola Adedoyin **(LA)**	Independent Member
James Cook **(JC)**	ACO (Resources) - Hertfordshire Constabulary
Yvonne Gaylard-Hall	Admin – Hertfordshire Constabulary
Ian Rooney **(IR)**	Director of Resources & Oversight – Office of PCC
Richard Lee **(RL)**	KPMG
Jamil Khan **(JK)**	RSM
Gemma Farley **(GF)**	Hampshire County Council
Daniel O'Rourke **(DO)**	Hampshire County Council
Doug Taylor **(DT)**	Guest for Internal Audit action update
Neil Baddeley **(NB)**	Guest for Internal Audit action update
APOLOGIES:	
James Kidd	Head of Finance, Hertfordshire Constabulary
Nicole Guo	KPMG
Sandra Coughlan	Head of Governance & Delivery – OPCC
Jack Chimes	Guest for Internal Audit action update
Andrew Boutflower	Hampshire County Council

PART 1 – Open

1. **WELCOME & APOLOGIES**
   The Chair welcomed the committee and confirmed it was quorate, with apologies noted as above.

2. DECLARATIONS OF INTEREST

Andrew Godman disclosed a conflict of interest related to an outstanding Firearms License renewal and interests within the local shooting trade and businesses.

3. MINUTES OF THE LAST MEETING

The minutes were accepted as an accurate record of the meeting.

4. ACTION TRACKER

The actions were reviewed and updated accordingly.

5. TREASURY MANAGEMENT REPORT

Daniel O'Rourke presented the proposed Treasury Management Strategy for 2026-27, specifically:

Strategy Overview and Key Changes: Daniel outlined the Treasury Management Strategy for 2026-27, including the balance sheet summary, borrowing forecasts, and the rationale for borrowing in advance to secure favourable rates. He highlighted that the only significant change was the removal of the £50,000 liquidity requirement with NatWest, allowing more efficient cash deployment.

Investment and Borrowing Limits: Daniel explained that the investment strategy sets maximum counterparty limits of £8 million for secured and £4 million for unsecured investments, with borrowing indicators adjusted to maintain long-term debt below the capital financing requirement. The strategy remains compliant with the relevant codes and guidelines.

MRP Policy and ESG Considerations: Jonathan Flowers inquired about the inclusion of the Minimum Revenue Provision (MRP) policy and ESG factors in investment decisions. Ian Rooney confirmed the MRP policy is part of budget papers and can be shared, while Daniel and Gemma Farley clarified that ESG risks are minimal due to the nature of investments, which are primarily short-term and with government entities.

Risk Management and Assurance: Paul Smith and Jonathan raised questions about the main risks associated with the strategy and the assurance over the performance of external advisors, Arling Close. Daniel and Gemma described the due diligence processes, regulatory oversight, and upcoming market testing for advisory services, with assurance routines and third-party checks discussed.

Committee Approval and Next Steps: Paul Smith confirmed committee members' contentment to recommend the strategy to the Police Commissioner, with Gemma noting that the advisory contract will be market-tested later in the year. Daniel agreed to provide further information on assurance processes as requested.

6. EXTERNAL AUDIT – KPMG

Richard Lee presented the year-end external audit reports, covering audit progress, outstanding items, value for money assessment, and recommendations. Specifically:

Audit Progress and Outstanding Items: Richard summarised the status of the 2024-25 audit, noting that a disclaimed audit opinion is expected due to incomplete assurance over some balances. He detailed the areas where work is ongoing, including management override and pensions, and described the impact of sector-wide delays and evolving audit requirements.

Value for Money Domains and Findings: The audit covered financial sustainability, governance, and securing economy, efficiency, and effectiveness. No adverse findings were identified in financial sustainability or performance, but a risk was flagged regarding the timeliness and quality of accounts preparation, with recommendations for improved engagement and communication.

Recommendations and Control Observations: Richard highlighted recommendations on savings plan monitoring, risk register presentation, related party controls, and journal authorisation. He noted improvements in accounts completeness but emphasised the need for continued process enhancements and collaboration between audit and finance teams.

Committee Discussion and Next Steps: Paul Smith and Andrew Godman supported the need for process improvements and offered committee assistance. James and Ian acknowledged the challenges of previous years and anticipated a return to a normal audit cycle with strengthened finance resources. Plans were made to schedule an additional meeting to finalise the statements and monitor progress.

Note for the Record: James Cook requested it go on record that the FY25/26 External Audit will be the first in many years to run to a ‘normal’ cycle of events and will therefore be different to previous years.

7. INTERNAL AUDIT – RSM

Jamil Khan provided an update on internal audit activities, including recent reports, the wellbeing audit, and the draft audit strategy. Specifically:

Recent Audit Activity and Findings: Jamil reported the completion of two audits: a wellbeing audit (partial assurance due to inconsistent documentation of pause point meetings and risk assessments) and a follow-up audit. Fieldwork is ongoing for finance and cyber security audits, with delays noted due to team capacity.

Wellbeing Audit Details: The wellbeing audit found effective controls in governance and communication but identified high-priority actions regarding the documentation and consistency of pause point meetings and risk assessments for high-risk departments. Recommendations included updating the wellbeing strategy and improving compliance with line manager training.

Audit Strategy and Planning: Jamil presented the draft internal audit strategy for 2026-27, seeking committee input on priorities. Jonathan Flowers queried the rationale for a proposed governance scrutiny audit, and Paul Smith suggested a dedicated session to review and align the plan with identified risks. Ian Rooney was tasked with arranging this session.

Next Meeting: Friday 10th April 2026 at 09:00

PART 2

This section is withheld under the Freedom of Information Act 2000, sections 23, 24, 30, and 31, to safeguard national security, law enforcement investigations, and police operations.

DECLARATIONS OF INTEREST (AGENDA ITEM 2)

James Cook raised concern with the conflict declared by Andrew Godman as an FEL update was included in the pre-meeting pack issued and would have been discussed within the meeting. James emphasised this should have already been disclosed, and the impact and importance of transparent discussion. Paul Smith tasked the management team with reviewing and formalising the process for collecting and declaring interests, with Lola volunteering to help design the procedure.

CYBER AND INFORMATION SECURITY UPDATE (AGENDA ITEM 7)

Neil Baddeley delivered a comprehensive update on cyber and information security for Beds, Cambs, and Herts Police, addressing questions from the committee on threat trends, risk management, legacy systems, training, incident response, and the use of AI in cyber defence.

Threat Landscape and Incident Trends: Neil reported an increasing trend in reported cyber incidents, attributed to improved detection and workforce awareness. He described the use of threat intelligence from the National Management Centre, internal reporting, and automated triage systems, with around 3,000 items flagged monthly and further reduced through automation and national triage.

Risk Identification and Mitigation: The team uses multiple mechanisms to identify and mitigate emerging threats, including participation in regional forums, dark web monitoring, and regular risk register updates. Strategic risks such as supply chain attacks, cyber-attacks, and data breaches are tracked, with annual assessments and IT health checks informing mitigation efforts.

Legacy Systems and Patch Management: Neil and Doug Taylor confirmed ongoing projects to decommission legacy systems, with only eight servers remaining on unsupported software and plans in place for their removal. Monthly patching and vulnerability scanning are conducted, supported by Microsoft tools and regular Nessus scans, with compliance tracked through working groups.

Incident Response and Training: A robust incident escalation process is in place, mapping to policing's bronze, silver, and gold command structures. Mandatory annual training and targeted interventions for staff who fall victim to phishing are provided, with simulation exercises showing improved awareness and reduced compromise rates.

Third-Party Risk and Assurance: Neil described a structured process for assessing third-party suppliers, focusing on cloud security principles and prioritising high-risk suppliers for annual review. Independent penetration tests and IT health checks are conducted by accredited external firms, with lessons learned sessions and cross-force collaboration.

AI in Cybersecurity: Neil confirmed the deployment of AI-based tools for threat detection, including Microsoft's security co-pilot, and measures to prevent unauthorised AI chatbot access to meetings. The team is working with national bodies to further develop AI-driven defences.

Business Continuity and Human Factors: Business continuity and disaster recovery planning now explicitly include cyber-attack scenarios, with departmental plans reviewed by the civil contingencies team. Neil and Andrew Godman discussed the importance of addressing human error, with ongoing training and support for staff involved in incidents.

CONSTABULARY UPDATE (AGENDA ITEM 10)

Firearms Licensing update: James Cook briefed the committee on the accelerated cause for concern issued by HMICFRS regarding firearms licensing, detailing the backlog, resource injection, and command structure.

Inspection Findings and Backlog: James explained that the collaborative firearms licensing unit was subject to an accelerated cause for concern due to a significant backlog and process deficiencies identified by HMICFRS. Additional resources have been allocated to address the issue.

Command Structure and Remediation: A formal command structure, led by a Chief Superintendent, has been established to manage the response, with the aim of withdrawing the cause for concern in due course. The backlog is also expected to smooth out cyclical peaks in demand.

Audit Timing and Assurance: Andrew Godman and James discussed the timing of an internal audit in this area, agreeing that audit resources should not duplicate recent external inspection. The committee will monitor progress through management updates and consider audit scheduling accordingly.