

OFFICE OF THE POLICE AND CRIME COMMISSIONER
OFFICE OF THE CHIEF CONSTABLE

JOINT AUDIT COMMITTEE

4th March 2019

Present: Mr J Sheppard (Chair)
Mrs D Turner, Mr A Blackmore, Mr R Leadbeter and Dr J Wademan

Together with: Mr J Cuthbert – Police and Crime Commissioner (PCC)
Mr D Garwood-Pask – Chief Finance Officer (CFO)
Mrs S Curley – Chief Executive (CEX)
Mrs J Regan – Head of Assurance and Compliance (HoA&C)
Mrs N Warren – Governance Officer (GO)
Mr J Williams – Chief Constable (CC)
Mr M Budden – Chief Superintendent Service Head of Strategy, Performance and Change (HoSP&C)
Mr N Stephens – Assistant Chief Officer, Resources (ACOR)
Ms A Harkin – Wales Audit Office (WAO)
Ms K Watts – Wales Audit Office (WAO)
Ms H Cargill – (TIAA)

The meeting commenced at 10:00am. We welcomed Chief Superintendent Marc Budden, Head of Strategy, Performance and Change to the meeting.

We were informed that Mr J Cuthbert, Mr D Garwood-Pask and Ms A Harkin would need to leave the meeting early due to other work commitments. We agreed that the agenda would be moved to ensure the sections that they needed to be present for were discussed before their departure.

APOLOGIES

Action

1. Apologies for absence were received from Ms V Davies, TIAA and Mrs T Veale, Wales Audit Office.

DECLARATIONS OF INTEREST

2. There were no advance declarations made in relation to the business to be transacted.

APPOINTMENT OF CHAIR

3. The CFO informed us that as per the Joint Audit Committee (JAC) Terms of Reference (ToR), the appointment of the Chair and Vice-Chair needed to be undertaken annually. We noted that the Chair may be re-elected but could serve no more than 3 consecutive years other than in exceptional circumstances.

Action

We agreed to nominate the current Chair, Mr J Sheppard to the role for the coming financial year; he accepted the nomination and subsequent

appointment to the role of Chair for a third year.

APPOINTMENT OF VICE CHAIR

4. Mrs D Turner was nominated as Vice-Chair for the ensuing year and also accepted the appointment.

We thanked the Chair and Vice Chair for their continued support.

MINUTES

5. The minutes of the meeting held on 13st December 2018 were received and confirmed. The following were highlighted:

Minutes, Page 11

We noted a spelling mistake, 'Seven Bridge' for amendment.

GO

ACTIONS

6. We received and noted the actions from the meeting held on 13th December 2018. The following were highlighted:

Action 2, Actions

Action 3, Internal Audit (TIAA) Vetting

We queried if the duplication of vetting processes had been raised at the All Wales Policing Group (AWPG) and were advised that the AWPG had agreed in principle that vetting by one force would be accepted by all others in Wales. This would apply for supplier contracts so the supplier was vetted only once to work in all forces. Where officers or police staff transfer between forces, new vetting processes would still need to take place due to the time of their original vetting. It was agreed to close this item.

Action 2, Actions

Outstanding Actions, 7th June 2018 – Internal Audit

We queried if the ToR for the HR Management Training and Development audit had been amended to include sickness absence and welfare management. We were informed it had not been included within the initial audit and received assurance that it was incorporated within the Audit Plan for 2019/20.

Action 3, External Audit Annual Audit Letter and Matters Arising from 2017/18 Audit

We queried if an update had been received from the WAO with regards to who should be completing the Related Party Transaction Forms in order to comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) code of practice. We were informed that the HoAC circulated the WAO response prior to the meeting confirming that JAC members would need to complete the form.

Action

We discussed the benefits of illustrating the breakdown of the precept, grants and National Non-Domestic Rates in order to highlight the areas

most affected by the decrease in total income. The CFO agreed to circulate the WAO data illustrating the impact of the reduction of government grants which had resulted in an increase in the level of precept required in order to meet force demand.

CFO

We discussed the trends and the on-going impact the grant reduction was having nationally. In order to provide further transparency the CFO also agreed to circulate a pictorial representation demonstrating how government grants have reduced over time compared to the increase in costs.

CFO

Action 4, Internal Audit (TIAA) Update Report

The client briefing notes had been circulated in relation to development in Governance, Risk and Control and Counter Fraud.

We noted that two of the issues highlighted within the client briefing notes were for information purposes only. There were four remaining issues suggesting the JAC should seek further assurance. The HoAC confirmed she had received the queries from the Committee in relation to the four issues where action was required and assured us she would review the responses as a matter of course. We were advised that the Summary Internal Controls Assurance (SICA) report contained the same list of items for possible action. We requested that where possible, an update was circulated to members outside of the meeting providing an update on the areas highlighted in the SICA report.

HoAC

ACOR

Action 6, Financial Performance Report

We agreed that Creditors and Debtors should remain an agenda item until the Committee was satisfied that the areas of concern had been eliminated.

GO

Outstanding Action, 29th June 2017

Action 9, JAC Draft Annual Report

We queried the time taken to finalise the Governance Assurance Framework audit. We received confirmation that the audit had been completed and the report would be finalised by the end of March 2019.

EXTERNAL AUDIT

Action

7. We received the following reports from external audit:

a) Update Report

We were advised that key areas of risk relating to the 2018/2019 financial statements had been identified which had been recorded in the Audit Plan 2018. Transactional testing had been undertaken for periods 1 to 8. We were assured that good progress was being made against the detailed closedown plan that had been presented to the JAC at the December 2018 meeting.

A successful joint post project learning event was held in February 2019 with representatives from all four forces and WAO audit teams in attendance to share experiences from the 2017/18 financial statements' audits. We received assurance that proactive actions would be put in place to ensure the issues experienced in the last financial year would not be encountered in this financial year.

b) Audit Plan

The WAO informed us that the Audit Plan was drafted on a risk based approach and summarised the work they had to undertake to satisfy responsibilities in relation to providing an opinion on the accounts and also on the use of resources.

We were advised that using the same audit team as last year to undertake the audits provided continuity.

It was brought to our attention that one potential conflict of interest had been identified, as a member of the audit team was related to a police officer within the organisation. However we were assured the relevant steps had been taken to ensure the auditor would not be undertaking any work in relation to operational policing or direct testing of payroll, thus removing any potential conflict. Aside from the above identified conflict, the WAO confirmed that all other team members were independent of the OPCC and Gwent Police.

We sought clarity regarding the secondment date of the Financial Audit Manager from the WAO to Gwent Police and were informed that the role had commenced on 1st September 2018.

We queried if the auditors were confident that we would remain within the proposed fee of £82,600 during the coming year and were advised that they were confident no additional cost would be incurred.

During the JAC training day, the CIPFA had raised concerns that there could be a potential delay in the finalisation of the accounts as a result of issues experienced with the external auditors. We were assured that our organisation had not encountered any issues and agreed that the lessons learned would focus on areas for improvement during this financial year's closedown. The audit team were also working to an earlier schedule this year to ensure any issues arising could be resolved prior to the deadline.

Action

We noted changes to the Fixed Asset Register were being undertaken in March 2019 and queried if this posed a risk to the finalisation of the accounts. We were advised that the changes posed no risk as the new system would only be used as a trial within the accounts closure process.

It had recently been highlighted in the media that Dyfed Powys Police had made preparations in order to manage possible protestors in relation to Brexit on the 29th of March 2019. We sought assurance that

the necessary preparations were being made by Gwent Police and the CC advised us that a significant amount of work had been undertaken both locally and nationally and we were well prepared for any forthcoming issues. We were informed that there had been small scale protests in Wales linked to Brexit in the last few weeks and we were assured by the CC that preparations had been made to respond both in Wales and to larger scale protests across the UK, should the need arise.

We queried which organisation would be responsible for funding the potential force response to Brexit and noted that although the initial funding would be provided by the force where the protest was taking place initially, negotiations would take place with the Home Office to reclaim the funds.

INTERNAL AUDIT (TIAA)

8. We received the following reports from internal audit:

a) Update Report

Eight audits had been finalised since the last meeting:

- Business Continuity Planning;
- Expenses and Additional Payments;
- General Data Protection Regulation (GDPR) – Compliance Visit 2;
- Pensions;
- Finance and Resource System Implementation;
- Budgetary Control;
- Fixed Assets; and
- Creditors.

We were informed that six of the audits had received a 'Reasonable' assurance rating with the Fixed Asset audit receiving a 'Substantial' assurance rating and the Creditors audit which had received a 'Limited' assurance rating.

Action

We were advised that the audit plan for 2018/19 was on schedule for completion by year end.

We queried if the General Data Protection Regulations (GDPR) – Compliance Visit 2 included the use of Body Worn Cameras. We were advised it was not included but it would be included in the 2019/20 audit plan.

We referred to the Client Briefing Notes and queried if breach reporting was monitored to ensure compliance with the requirements of GDPR. We were informed that breach reporting was scrutinised through force processes and also reported annually in the Annual Governance Statement (AGS). The ACOR advised that he would continue to ensure that any significant data breaches were reported to the JAC. We were satisfied that the relevant breach reporting processes were in place. Assurance was sought by the Committee that the new control measure,

ACOR

'Confirming payee names against bank account details' to prevent the risk of fraud was working. We received confirmation that it was in place and operating effectively.

We referred to the possible action of implementing the Free Cartel Screening Tool and queried if current procurement was at risk of illegal cartel behaviour. We were informed that suppliers were being vetted robustly to confirm legitimacy. The CFO planned to update the Police Information and Communication Technology (ICT) Company about use of the tool.

CFO

We agreed the actions within the Client Briefing Notes had been addressed.

We referred to the high level overview of the budgetary control audit and queried if the finance team were continuing to experience changes within the team. The ACOR advised that the reference was historic in nature and was no longer the case.

We questioned why the Headquarters Contract Management report had been deferred at the request of management and were advised it was in relation to the slippage on the RIBA Stage 4 Programme which will complete in August 2019 following which the audit will be undertaken.

We queried if the pension administration team were fully resourced and if the backlog of police officer pension administration had been cleared. We were informed that the police pension contract was due to expire at the end of September 2019. As a result of difficulties experienced with the supplier, local arrangements had been in place for the past twelve months to ensure Gwent Police holds accurate pension records mitigating any potential risks. We were advised that consideration was being given to appointing a Police Pension Administrator in collaboration with the other Welsh forces.

Action

We asked for further detail in relation to liaison with the WAO and noted that meetings take place if TIAA believe there are significant issues of concern that the WAO needed to be made aware of.

Detailed Audit Report - Creditors

We were advised that although the Creditors Report received limited assurance, there had been improvements made and many of the issues had been addressed, the main issue of concern was the slow recovery of the identified duplicate payments.

We sought clarification around the total value of duplicate payments that had not yet been recovered as the amount outstanding appeared to have increased since the 13th of August 2018 from £417,559 to £1,045,000. We were advised the magnitude of the problem became apparent in November 2018. There was only £307,000 of the total £1,045,000 outstanding. These sums were with suppliers the force continues to use, so a structured plan would be introduced of netting off future payments to these suppliers by the sum of the outstanding

payments.

The WAO assured us the payment processes were working correctly. TIAA noted that they had completed an audit last week and identified one issue that related to two suppliers having been paid in relation to the same invoice. It was for a small number of duplicate payments amounting to £2,700 and had arisen where a single creditor and its subsidiary company had been paid three times due to an input error. The finance team were in the process of recovering the duplicate payments. The ACOR assured us that he would review the matter and report back to the Committee at the next meeting.

ACOR

The ACOR assured us that the Finance team were focussing on recovering the high value duplicate payments as a priority and he was confident that they were not at risk of becoming bad debts.

We requested an update on the total amount of outstanding duplicate payments and the ACOR assured us that he would circulate the information to the Committee.

ACOR

In order to provide further assurance that the appropriate processes were in place we agreed that Debtors and Creditors would remain on the agenda at the next meeting. The ACOR agreed to provide a detailed plan including the volume and value of duplicate payments that had been recovered to date.

**ACOR/
GO**

Action

We queried the force position in relation to 'No Purchase Order, No Payment' implementation and we were informed that there was a structured plan in place in order for the team to implement the process. We were advised that partial implementation had taken place within the Information Communication and Technology (ICT) department. There had been issues identified within some areas of the force where the process could not be implemented as the relevant administrative support was not available. The ACOR agreed to supply the detailed structured plan at the next meeting in order to provide assurance that progress was being made.

ACOR

We queried why the Expenses and Additional Payments audit had received a 'reasonable' rather than 'substantial' assurance rating. TIAA would review the audit and re-issue as necessary.

TIAA

Our attention was also drawn to the Pensions report which had also received a 'reasonable assurance' rating with only one recommendation TIAA agreed to review the report.

TIAA

We questioned why 'Welsh Language Standards' had not been incorporated within the audit plan as it had been in all other Welsh forces. The ACOR agreed to include an audit of the Welsh Language Standards in the 2019/20 audit plan and advised us that it had not been included in the 2018/19 audit plan as compliance was being monitored closely within force processes and as such, this had not been seen as an area of risk.

The CC and PCC left the meeting at 10:55am.

We agreed to take items 10 'ANNUAL AUDIT ENQUIRIES LETTER' and 11 '2017/18 CLOSURE OF ACCOUNTS LESSONS LEARNED PLAN'.

ANNUAL AUDIT ENQUIRIES LETTER

9. We received the Annual Audit Enquiries letter from the WAO setting out the areas of governance that impact on the audit of the financial statements for management review, in accordance with the requirements of the International Standards on Auditing (ISA's).

We discussed the response and agreed the following would be amended:

Enquiries of Management in relation to fraud

Question 1

Amend 'High Materiality limits' to 'Low Materiality limits' and in relation to 'Transparency, amend publication of expenditure over £5k' to '£500'. **CFO**

The WAO confirmed that managements' response to the Audit Enquiries letter was sufficient. **Action**

In relation to the letter from the WAO, we proposed an amendment to the following sentence 'However, as the JAC reviews the accounts and recommends approval (or not) to 'those charged with governance' this response should be considered by the Committee' to reflect wording in the JAC ToR. The WAO agreed to amend the letter with assistance from the CFO. **WAO/
CFO**

2017/18 CLOSURE OF ACCOUNTS LESSONS LEARNED ACTION PLAN

10. We received the lessons learned action plan from the 2017/18 closure of accounts process.

We were assured that all areas for improvement identified within the plan had been acted on, many of which had been completed.

We questioned if there would be sufficient resilience within the finance team at the time of the closure of the accounts and were informed that a post implementation review had been undertaken, an established structure had been put place and additional resources had been incorporated within the team. A further member of staff had also joined the finance team to provide support over the course of the next six months. We were assured that annual leave would only be authorised when practicable during the closure and audit of the accounts.

We were reminded that as a result of the new structure, members of the finance team were omni-competent thus enabling further resilience during the closure of accounts.

We discussed the availability of the auditors at the time of the accounts

closure and received assurance from the WAO that the relevant staffing and expertise would be available to ensure the process runs smoothly in June 2019.

We queried whether it was possible to summarise and reduce the scale of the accounts. We were advised that the scale of the accounts had been reviewed previously and although they had been reduced slightly there was no scope to reduce them further as the International Accounting Reporting Standards had to be followed. The CFO suggested that his foreword in the accounts could be used as a summary in future.

We appreciated the transparency and reasonable assurance that the Lessons Learned Action Plan had provided. However, we noted that it took a considerable amount of time to review the document and agreed a report by exception would provide adequate assurance that progress was being made.

ACOR

Action

Ms A Harkin left the meeting at 11:20am

INTERNAL AUDIT (TORFAEN COUNTY BOROUGH COUNCIL)

11. We received the following reports from Torfaen County Borough Council (TCBC) in relation to the Shared Resource Service (SRS):

a) Detailed Audit Reports

We noted that the following detailed audit reports had been circulated containing a total of 61 recommendations:

- Cybersecurity (Moderate Assurance); and
- Identity and Access Management (Moderate Assurance)

No audit reports had been presented for discussion at this meeting.

Concerns were raised in relation to the Cybersecurity and Identity and Access Management audit reports as there had been a long delay in management response to the large number of audit recommendations. It was also very difficult to ascertain what findings had been prioritised. We noted the ACOR had circulated a comprehensive response to questions raised prior to the meeting.

We were advised that the audits had been undertaken collaboratively across all five partner organisations in order to identify thematic recommendations as well as identifying recommendations within individual organisations. The ACOR acknowledged that it had taken some time for the recommendations to come to fruition and assured us that during this financial year, all partner organisations had designated 60% of resources to maintenance programs, including progressing with audit recommendations, to ensure sufficient capacity was available.

We sought assurance regarding the prioritisation of key issues and whether sufficient resources were in place within the SRS in order to

mitigate the risks and were advised that a 12 month timetable had been developed in order for the ACOR to monitor progress, to focus on priority issues and to ensure the recommendations would be implemented in a timely manner going forward.

Dr. Wademan advised us that whilst the reports were difficult to read, they contained a large amount of detail which was helpful at an operational level as they illustrated all the areas of concern and highlighted what needed to be done. However, we were advised that in order to ensure the appropriate security defences were in place, it was imperative that staff received training to keep up with new technology, and the recommended policies and procedures should be implemented in accordance of priority as soon as possible to safeguard the organisation from cyber security threats and potential fines from the Information Commissioners Office.

Action

The ACOR advised that the Information Security Liaison Board (ISLB), a Board consisting of the SRS, the Information Security Team and Senior Information Risk Owners (SIROs) from each of the partner organisations had agreed to monitor the delivery of the actions within the action plan.

We questioned if the risk to Gwent Police had been mitigated in that the appropriate funding and resourcing arrangements had been put in place by all other partner organisations and the time required to deliver the proposed recommendations had been taken into consideration during the process. The ACOR assured us that the appropriate arrangements were now in place, however, the risk appetite of local authorities was not aligned to that of Gwent Police and it had taken a considerable amount of time to implement the governance arrangements, the structure and to ensure the recommended actions could be acted on. The ACOR acknowledged that the risk appetite of the force may not have been clear to other partner organisations and going forward this could be influenced to ensure management of the risks was undertaken in a timely manner.

We queried whether sufficient resources would be available to implement the priority recommendations should they be brought forward by TCBC. The ACOR informed us that the recommendations specific to Gwent Police could be prioritised and undertaken in isolation. We were advised that some resources could potentially be diverted from service development to provide resilience to maintenance services should it be required.

We noted that the HoAC had circulated the Public Sector Internal Audit Standards Report confirming that TCBC conform to the required standards.

The ACOR noted the concerns raised in that focus should be placed on the scope of the internal audits, the audit plan itself and most importantly, clarification of the priority risks within the audit report which should be easily identifiable and implemented according to priority. The ACOR agreed to raise these issues with TCBC and to inform us of their response.

ACOR

In order to address the concerns raised and to provide further assurance, the ACOR agreed to arrange for the lead TCBC auditor to present the 2019/20 audit plan at the June meeting.

ACOR

We agreed to take items 12, BUDGET SETTING 2019/20, 13, PCC'S CAPITAL STRATEGY, 14 ASSET MANAGEMENT STRATEGY and 16 DRAFT JOINT ANNUAL GOVERNANCE STATEMENT due to time constraints.

Action

BUDGET SETTING 2019/20 ORAL UPDATE

12. We received an oral update from the CFO on the budget setting process for 2019/20.

We were informed that Central Government had announced in their provisional settlement on December 13th 2018 an additional £970m investment in policing. However, as this amount contained £509m of forecast additional precept income (which was still to be locally determined); grants to offset the majority of additional police officer pension costs; and also grants for national programmes of work around Serious and Organised Crime and Counter Terrorism, the real like for like comparison of Government funding which would be directly received by Commissioners was a shortfall of £13m nationally against that received in 2018/19. We were advised that as the responsibility for setting (and capping) precept levels was devolved in Wales, the Welsh Government had made provision for further flexibility with regards to the level of the precept increases in 2019/20, with the increase limited to no more than £24 a year per household, equating to around a 10% precept rise in Gwent.

On the 14th December 2018, the Police and Crime Panel (PCP) received a presentation from the CC that provided an operational context to the budget bid; a proposed increase of 6.99% was requested in order to meet force demand particularly in the areas of Serious and Organised Crime and protection of vulnerable people.

At their next meeting on the 25th January 2019 the PCC presented his proposed increase to the precept level of 6.99% equating to a £16.69 increase per annum on a Band D property, which would allow the PCC to set a balanced budget.

The PCP approved the proposed the precept increase of 6.99% and requested:

- Clear evidence as to how the PCC holds the CC to account in relation to force performance;
- Adequate messaging in the public domain in relation to good work being undertaken by the force; and

- Consideration should be given to the alternative utilisation of the recurring investment set aside to contribute towards the policing cost implications of the M4 relief Road, as it was not yet certain if this would be given approval by the First Minister.

POLICE AND CRIME COMMISSIONERS CAPITAL STRATEGY

Action

13. We received and considered the report of the Police and Crime Commissioner for Gwent's Capital Strategy 2019/20 – 2022/23.

The CFO advised us that there was a new requirement in the revised 2017 CIPFA Prudential Code to produce a Capital Strategy to demonstrate that capital expenditure and investment decisions were made taking into account value for money, prudence, sustainability and affordability.

We proposed changes to the strategy at paragraph 4.3.8, to include the role undertaken by the JAC, at paragraph 9.8 to provide examples of audits that had been undertaken within Gwent Police and the inclusion of a summary to highlight the key elements of the Capital Strategy and the expected outcomes, such as investment in the estate, including the new headquarters and the hub and spoke model for the location of police stations and new technology.

The CFO thanked the JAC for their comments and agreed to add the proposed changes to the Capital Strategy Report prior to approval by the PCC through the box day process.

CFO

Ms H Cargill left the meeting at 12:05pm

ASSET MANAGEMENT STRATEGY

14. We received and considered the annual review of the Asset Management Strategy.

The strategy considered how the PCC's assets were able to support the delivery of the Police and Crime Plan priorities and provided the overarching framework from which the Estate, Vehicle Fleet, ICT and Procurement Strategies were developed.

The strategy ensured that the PCC's assets produced value for money and that they were utilised and disposed of correctly as well as considering the carbon footprint produced by all assets and the sustainability of buildings.

The ACOR informed us that the strategy would be reviewed every three years going forward and we were assured mechanisms were in place to monitor each of the four areas that were contained within this overarching strategy.

We requested that reference to the Capital Strategy was made and also that consideration was given to including any national initiatives

ACOR

being progressed in the areas covered.	Action
We proposed an amendment to Annex 1, paragraph 2.6 to reference that Newport City Council was also a partner in the SRS.	ACOR
We queried if there were specific key performance indicators in place to evaluate the effectiveness of the Asset Management Strategy. The ACOR agreed to review the matter and update the JAC accordingly.	ACOR
We noted that the Strategy would be presented to the PCC for approval at the Strategy and Performance Board (SPB) on 6th March 2019.	

DRAFT JOINT ANNUAL GOVERNANCE STATEMENT

15. We received the draft AGS from the CFO.

The CFO advised us that the AGS evidenced how the PCC and the CC complied with the Code of Corporate Governance as set out within the MoCG as 'corporation soles'.

We were advised that work was still ongoing to develop the AGS further and that the JAC annual report, final audit outcomes and audit opinions would need to be included as well as information on the work the PCC and CC were undertaking in relation to any limited assurance audits, risks on the risk register, changes in accounting, governance issues and previous AGS's action plans.

We were advised that the CFO's from all Welsh forces had planned to meet in May to review and compare the documents.

The CFO hoped that the document would be largely completed by the June meeting of the JAC and would be finalised for inclusion in the Statement of Accounts which would be presented at the July 2019 JAC meeting.

It was suggested that the document incorporated a conclusion and the CFO agreed to add it to the report.	CFO
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We noted the document and requested that the following amendments were made:

Page 9, Joint Audit Committee Amend number of meetings from four to five per annum.	CFO
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Page 13, Inspection Work During 2018/19

We referred to value for money indicators which challenge areas of exceptional spend and requested the inclusion of 'demand and performance' against the value for money profiles	CFO Action
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Page 20, Appendix 1, Accountability	CFO
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Amend number of JAC meetings from four to five per annum.

We noted the Durham Staff Survey had been undertaken within the force and appreciated the effort made to monitor the wellbeing of the staff within the organisation. We queried if the survey was to be carried out again next year. We were advised that the latest report was received from Durham University in November 2018 in reference to the last twelve months, which had resulted in the development of a force action plan to address the issues raised. We would continue to participate in the survey in line with the majority of other forces, as thematic issues could be identified across all the forces as well as internally.

The CFO advised that he would provide narrative for the questions posed as a result of the JAC Training day at the next meeting. A request was made for the OPCC responses to the 'JAC Training Day' be placed nearer the top of agenda for the next meeting in June.

**CFO/
GO**

Mr D Garwood-Pask left the meeting at 12:40

OUTSTANDING AUDIT INSPECTION RECOMMENDATIONS

16. We received a report that highlighted outstanding recommendations from previous audit reports and the current status of the work necessary to implement the required actions.

Page 1, Fleet Management

We requested an update in relation to the collaboration of the force fleet systems. The ACOR informed us that there had been a delay in the Fleet Managers' meeting to address the collaboration of the force fleet systems and the matter would be escalated to each of the force's Finance Directors in order to accelerate the completion of the actions. The ACOR requested an extension of the Fleet Management recommendations on the basis that he would monitor that progress was being made.

ACOR

Page 2, Local Policing - Property and Cash

We raised concern regarding the request of a four month extension in order to implement the audit recommendations, as the extra time did not reflect the importance of completing the actions. We rejected the request for a four month extension and requested that consideration was given to completing these actions sooner. We were assured by the ACOR that the issues of concern were being focussed on in the Force Performance Meeting. The ACOR agreed to accelerate resolution of the issues raised.

**ACOR
Action**

Page 3, Fleet Management

We noted that the draft Section 22A collaboration agreement between the three forces in the utilisation of a single fleet system was currently with Joint Legal Services for finalisation prior to approval by the PCC and CC.

We queried if the set timescales were achievable and if there were sufficient resources available to action the audit recommendations. We were assured that management focussed their resources on the high priority recommendations and further assurance and transparency was provided by the JAC when scrutinising the outstanding audit recommendations.

We agreed to endorse the revised completion dates as requested within the report with the exception of 'Local Policing-Property and Cash'.

The ACOR advised us that the SRS Finance and Governance Board undertake a review of the audit recommendations made by TCBC. This had provided further opportunity for scrutiny of the audits by the Section 151 Officers to ensure the audit recommendations have progressed.

We noted there were several audits that had been 'deferred' or 'not started' within the SRS Audit Update and queried if it would be prudent to focus on completion of these outstanding audits and to resolve the current issues raised and to only build into the 2019/20 plan those areas that were critical or high risk. We were informed that each of the partner organisations had been asked to comment on the proposed audit plan for 2019/20 which proposed six new audit areas and six follow up areas. The ACOR agreed to raise the concerns of the JAC in relation to the 2019/20 audit plan at the next meeting.

ACOR

We requested that a 'Key' for the various colours on the dashboard at appendix 3b was included.

ACOR

ANNUAL REVIEW OF MANUAL OF CORPORATE GOVERNANCE

• INCLUDING JAC TERMS OF REFERENCE ANNUAL REVIEW

17. We received a report providing the changes to the Manual of Corporate Governance (MoCG) that had been identified within the annual review process. We also received the JAC ToR for discussion as part of this annual review process.

We were advised that it had been agreed that the OPCC Senior team and the Chief Officer team were to have an 'away day' to focus on the MoCG and to discuss areas such as scrutiny and monitoring.

Action

We noted that an initial review had been undertaken of the CIPFA guidance for audit committees published in 2018. We agreed that it would be beneficial for the HoAC and CFO to provide a plan as to what they believed should be included in the JAC ToR and to clarify if any of the topics within the ToR were being monitored and scrutinised through other force processes, thus reducing the need for duplication. The HoAC suggested that those areas that were not included in the ToR could be monitored on an annual basis with an update provided confirming how they had been scrutinised through the internal processes, in order to provide reassurance to the JAC. We noted a review of the action plan would need to be carried out prior to the JAC

**ACOR/
CFO/
HoAC**

self-assessment to ensure we were adhering to the ToR.

We queried the term 'Box Day' and were advised that it related to a box file used to contain documents awaiting decision or approval by the PCC that did not require review by the Strategy and Performance Board (SPB). The governance structure had been put in place provide transparency around the decision making process. The decisions were published on the PCC website and circulated to members.

We discussed the proposed changes to the JAC ToR. We agreed that under the 'Internal Audit' section that the final bullet point could be removed with an amendment made to the bullet point above to state 'Ensure that the performance of all internal audit providers complies with the Public Sector Internal Audit Standards'.

HoAC

We agreed to approve the changes to the JAC ToR and to recommend approval of the amendments to the MoCG to the PCC and CC.

DRAFT JAC ANNUAL REPORT

18. We received and discussed the draft JAC Annual Report 2018/19 for consideration.

We requested that the following changes were made:
Page 1

Removal of the 'About Gwent' section as it does not add to the context of the report and replace with a Chair's Foreword.
The Chair agreed to compile a foreword for the report prior to the next meeting in June. The HoAC agreed to provide examples of forewords to the Chair.

HoAC

Page 2

Include a comment to confirm there were no changes to the JAC membership in 2018/19.

HoAC

When referencing the number of meetings that take place, also include the annual all Wales training day as well as the deep dives that take place after the meetings.

Action

HoAC

Page 3

Removal of the 'Members' attendance at meetings during 2018 table' to be replaced by wording stating that 'Members are in attendance at all JAC meetings, except in extenuating circumstances'.

HoAC

Page 5

To highlight that the Committee had challenged the risks and work was still in progress in relation to disaster recovery.

HoAC

Lead member's names should be removed other than in the Chair's foreword.

HoAC

Pages 6 and 7

The removal of the 'Completed Audit Tables' and reference made to the AGS detailing that all audits were scrutinised.

HoAC

Page 10

Include a statement to highlight that the area of risk management was considered at every meeting, but was taken as the first item on the agenda every September.

HoAC

We discussed the proposed amendments to the ToR in relation to including ethics for 2019/20 and agreed that it would be beneficial to have sight of the Ethics Report produced for the SPB to ascertain if the report met the requirements of the JAC ToR. The HoAC agreed to circulate the most recent Ethics Report.

HoAC

We agreed the priority areas of focus for 2019/20 and noted further items may come to light on completion of the JAC self-assessment.

Page 13

We requested that the JAC opinion in relation to the TIAA and TCBC audits be included in the conclusion.

HoAC

We also requested that the document be reviewed to ensure consistency of language.

HoAC

We requested a copy of the amended JAC Annual Report to review prior to the meeting in June.

HoAC

The meeting was paused at 1.40pm and resumed at 1.55pm in order for a working lunch to take place.

JAC TRAINING DAY NOTES

Action

19. We received the notes highlighting proposed actions as a result of the CIPFA training day.

The Vice Chair, Mr R Leadbeter and the CFO attended the training session and agreed that overall the training provided them with reassurance that the JAC was scrutinising the relevant areas in accordance with their ToR.

We discussed the level of scrutiny undertaken by the Committee in relation to the Code of Ethics and the CEx agreed to supply a copy of the Code of Ethics ToR to JAC for their information.

CEx

We queried how the TIAA PSIAS audit was undertaken. We were advised that TIAA self-assessed their audit processes annually and an external audit was undertaken every five years. We acknowledged that CIPFA had advised all JACs to have further involvement during the five year assessment process and queried who was responsible for appointing the external audit assessors and if they were independent of

HoAC

the organisation. The HoAC agreed to liaise with the TIAA to ascertain how the JAC could be involved in the audit assessment process and to obtain responses to the issues raised.

We were informed that Gwent Police collaborated with the other Welsh forces on a number of projects and it was suggested that the JAC were made aware of these projects in order to ensure value for money was achieved. The ACOR advised us that these projects formed part of the internal audit cyclical review and filtered through to the JAC for review in the internal audit reports.

We thanked the Vice Chair, Mr Leadbeter and the CFO for attending the JAC training day and for the feedback provided.

JAC SELF-ASSESSMENT FORM COMPARISON

20. We received a report on the comparison of the self-assessment forms used by other JACs for review.

We discussed what additional questions should be included in the JAC self-assessment form and decided in order for us to determine if any changes should be made to the form, we would review the matter at a future meeting when the JAC ToR had been amended to reflect the agreed changes in accordance with the CIPFA guidance.

We requested that the comparison document was circulated alongside the existing self-assessment form for consideration.

HoAC

JAC SELF ASSESSMENT ACTION PLAN

Action

21. We received a copy of the Self-Assessment Action Plan for review.

Action 4, Assurance Framework,

The outcome of the internal audit in relation to the Board Assurance Framework had not yet been received and therefore, it was agreed the matter should remain on the action plan.

Action 4, Value for Money,

We agreed that the Value for Money item had been addressed and could be removed from the action plan.

Action C1-3, Self-Assessment Process

We agreed that this had been completed and could be removed from the action plan.

Action C9, Pictorial Representation

We agreed this item would remain on the action plan and would be considered alongside the Board Assurance Framework.

EXCLUSION OF THE PRESS AND PUBLIC

22. The information contained in the report(s) below has been subjected to the requirements of the Freedom of Information Act 2000, Data

Protection Act 1998 and the Office of the Police and Crime Commissioner for Gwent's public interest test and is deemed to be exempt from publication under section 7.

TO IDENTIFY ANY RISKS ARISING FROM THIS MEETING

27. There were no new risks arising as a result of the meeting.

The meeting concluded at 2.55pm.