**OFFICE OF THE POLICE AND CRIME COMMISSIONER**

**OFFICE OF THE CHIEF CONSTABLE**

**JOINT AUDIT COMMITTEE**

7th December 2023

Present: Mrs D Turner (Chair),

Mr A Blackmore, Mr G Watts, Dr J Wademan (Vice Chair)

Together with: Ms E Thomas – Deputy Police and Crime Commissioner (DPCC)

Ms R Williams - Deputy Chief Constable (DCC)

Mrs S Curley – Chief Executive (CEx)

Mrs J Regan – Head of Assurance and Compliance (HoAC)

Mr N Stephens – Assistant Chief Officer – Resources (ACOR)

Mr M Hobrough – Assistant Chief Constable (ACC)

Ms V Townsend, Chief Superintendent, Head of Continuous Improvement (HoCI)

Mr M Thomas, Superintendent - Head of Criminal Justice (HpCJ)

Mr M Coe – Head of Finance (HoF) and interim Section 151 Officer for the OPCC

Mrs H Cargill – TIAA (TIAA)

Mr D Williams– Audit Wales (AW)

Mrs N Warren – Governance Officer (GO)

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| The meeting was held in Yew Room and on Teams and commenced at 10:00am. | **Action** |
| 1. **APOLOGIES** |  |
| Apologies for absence were received from Mr J Cuthbert, Police and Crime Commissioner for Gwent, Ms P Kelly, Chief Constable, Mr D Garwood-Pask, Chief Finance Officer, Office of the Police and Crime Commissioner, Mr A Johns, Independent JAC member, Mr R Harries, Audit Wales, Ms H Williams, Audit Wales, Mr G Gray, His Majesty’s Inspectorate of Constabulary and Fire and Rescue Services Force Liaison Lead and Mr M Corcoran, Internal Audit, Torfaen County Borough Council. |  |
| 1. **DECLARATIONS OF INTEREST** |  |
| There were no advance declarations made in relation to the business to be transacted. |  |
| 1. **MINUTES** |  |
| The minutes of the meeting held on 14th September 2023 were received and confirmed.  The following amendments were noted:  Page 2, unlikely hood should read unlikelihood.  Page 4, amend third paragraph from ‘However, the JAC ICT Lead suggested at the recent ICT meeting that it was tested’ to ‘However, the JAC ICT Lead suggested at the recent ICT meeting that it should be tested’.  Page 5, last paragraph ‘a CC’ should read ‘the CC’.  Page 6, fourth paragraph, ‘policing had a well structed’ should read ‘policing had a well structured’.  Page , Last paragraph, ‘Forwarded the Governance Officer’ should read ‘Forwarded to the Governance Officer’. | **Action**  **GO**  **GO**  **GO**  **GO**  **GO** |
| 1. **ACTIONS** |  |
| We received and noted the actions from the meeting held on 14th September 2023 and actions outstanding from earlier meetings.  **Action 1, 14th September 2023, Actions.** A meeting was due to take place on the 19th December 2023 to review the Memorandum of Understanding (MOU) for the Shared Resource Service (SRS) and all of the partner organisations to address issues raised and to finalise it. The JAC ICT Lead asked if the ACOR was confident the issues specified on the action sheet would be addressed satisfactorily as the narrative gave the impression there was some distance between the partner organisations. The ACOR assured JAC members the MOU would only be finalised if they were satisfied with the responses. The Force Joint Legal Services (JLS) drafted the original MOU in 2011 and two new addendums were added when two additional organisations joined. The new MOU was to be a completely new draft. However, there were legacy issues that had to be addressed as part of it to ensure there were no legal liability issues, should a partner organisation decide to leave the arrangement. It was agreed this action should remain open and the ACOR could report back on the 8 issues raised and how they were addressed.  **Action 2, 14th September 2023, To Discuss New Risks and Changes to Risk Ratings**. The Chair advised us she was still awaiting the report from the Local Government Authority in relation to the impact of Sharia Law on pension schemes. The DCC confirmed the issue had been raised with the police pensions team at an All Wales level and there had been no issues raised directly or any known discrimination or equality matters or other matters within Gwent.  **Action 2,** **14th September 2023, To Discuss New Risks and Changes to Risk Ratings**. An update was requested regarding the Disaster Recovery exercise. The ACOR advised he had met with the JAC ICT Lead this week who was keen for the task to be completed. The remaining connection requirements were being addressed which had caused a delay however, the ACOR assured JAC members a plan would be put in place in readiness by their next ICT meeting and prior to the following JAC meeting in March 2024.  **Action 2,** **14th September 2023 To Discuss New Risks and Changes to Risk Ratings.** JAC queried why the date for ISO Accreditation for forensics had been moved to 2025 when it was expected in October 2023 and if this posed a risk to the Force. The HoCI informed JAC this was a national change as opposed to a Force change. It was a new accreditation. The risk register had been formally updated and it had been suggested that it could be removed as there were no resource issues or budgetary implications etc. and so it could be classed as business as usual. It was agreed that once the risk had received formal approval and been removed from the risk register, the action could be closed.  **Action 5, 14th September 2023, Ethics Committee Governance and Ethical Dilemmas**. The Chair confirmed they would like a list of what had been considered in the past. It was agreed this action could be closed and a new action open for the list of considered ethical dilemmas to be circulated to JAC members.  **Action 4, 27th July 2023, Draft Estate Strategy**. It was explained that although there had been a delay in reviewing the Estate Strategy due to the CFO’s absence, it had subsequently been agreed at the recent Estate Strategy Board that the new PCC should be in position to agree the strategy. As the elections were taking place on 2nd May 2024, the Strategy would be drafted in the interim in readiness for consideration by the newly appointed PCC.  The DPCC assured JAC members that when reviewing the Estate Strategy, consideration would be given to their comments and that of the Police and Crime Panel in relation to the original draft being aspirational and financially challenging in terms of affordability.  The DPCC informed JAC members that she and the HoF had provided a brief to the Police and Crime Panel Sub Group on matters concerning the Estate. It was agreed the ‘Estate Strategy Matters’ would be an agenda item at the March meeting as opposed to the Estate Strategy itself which would be presented in JAC September 2024 meeting.  **Action 1, 15th June 2023, Actions**. It was agreed this action could be closed and if JAC members wished for refresher training a new action could be open in the future.  **Action 3, 15th June 2023, Internal Audit (TIAA).** TIAA informed us they were changing their audit software from April 2024 to incorporate Artificial Intelligence. This would enable TIAA to search all of their data to identify best practice and to assist with developing audit programmes.  **Action 3, 8th March 2023, Headquarters Update.** It was agreed the Headquarters (HQ) Occupancy Evaluation report would be provided to JAC members at the JAC March 2024 meeting.  **Action 9, 8th March 2023, Update on the Actions in the Audit Wales Management Letter.** The Chair had collated the data from the JAC members last 1-1s and it was agreed the action could be closed. The Chair requested that all JAC members forwarded a copy of their completed 1-1 template to her in order for her to arrange this year’s 1-1 meeting dates in January/February 2024, prior the March JAC meeting.  **Action 8,** **8th December 2022, Annual Code of Ethics Compliance Report.** The Code of Ethics was due to be launched 14th November but  it had to be delayed as it had not been approved by the Home Secretary at that time. The Code of Practice for Ethical Policing was expected to be approved shortly and the full code was expected in the Spring. All CCs have been instructed to continue to follow the existing nine ethical principles in the interim. JAC requested sight of the Ethical Policing Element when received. | **Action**  **HoL&D**  **DPCC**  **GO**  **Action**  **JAC members** |
| 1. The information contained in the report(s) below has been subjected to the requirements of the Freedom of Information Act 2000, Data Protection Act 2018 and the Office of the Police and Crime Commissioner for Gwent’s public interest test and was deemed to be exempt from publication under section 7. |  |
| 1. **TO DISCUSS NEW RISKS AND CHANGES TO RISK RATINGS** |  |
| We received the Risk Register. The HoCI informed us that she was to put a proposal to Chief Officers on how risks and issues should be managed going forward to allow the Force to flex their response to manage those which were of urgency and for which the change could be evidenced. The HoCI thanked the JAC Risk Lead for his support and advice on this approach and highlighted the new risks on the existing register.  There were two risks recommended for closure; the ISO accreditation for Sexual Assault Referral Centres and access to the Police National Database confidential. These risks would be removed from the register subject to approval by the Chief Officer Team.  The Welsh Language Standard risk was rated as high due to how it was recorded as opposed to reflecting the action that had been taken. The risk has been returned to the owner for review.  The Culture Within Force risk had remained high, however, the HoCI explained that if the proposed changes to the risks and issues were approved by the Chief Officers, it was likely that the rating would improve as it was recognised in culture that if mitigation was not right in the first instance there were risks that could occur as a result.  The JAC Risk Lead thanked the HoCI for her comprehensive update and acknowledged the progress made, particularly over the last seven months. The presentation of the report had improved and the data in the report was helpful. It articulated the risk, gave a description of consequences if not achieved, current mitigation, Chief Officer responsible for affirming the action in place at the time and the time the risk was to be completed.  The JAC Risk Lead informed the Committee that he had met with the HoCI and a discussion was had regarding making the distinction between risks and issues and work was being conducted in this area.  The JAC Finance/Audit Lead sought assurance on the completeness of the register and that the relevant reporting mechanisms were in place including horizon scanning. Given that the JAC members had received a recent audit report on Information Disclosure, it was suggested this should be recorded on the register as a risk or an issue and information provided regarding the staffing constraints in the Information Servies Department.  The HoCI agreed as there were others that also required recording but weren’t on the existing register because of the way it was set up. However, the proposed approach would incorporate them. The ACOR confirmed the issues were addressed although they weren’t captured on the risk register. The details of the issues were contained within the Force governance meeting highlight reports and further scrutinised at the Scrutiny Executive Board for review by the DCC. It was suggested an update should be forwarded to the JAC Finance/Audit Lead to provide assurance on the processes in place to capture all risks and issues and how the Force planned for future unknown risks. | **Action**  **ACOR** |
| 1. **CRIME DATA INTEGRITY RISK DEEP DIVE – VERBAL** |  |
| The HoCI advised us that she was now the risk owner for the Crime Data Integrity (CDI) risk. The CDI programme was a series of inspections conducted by His Majesty’s Inspectorate of Constabulary, Fire and Rescue Service (HMICFRS). The inspections had been embedded as part of the Police Effectiveness, Efficiency and Legitimacy (PEEL) programme. A series of inspections had commenced and 6 Forces had been inspected, it was likely that Gwent Police would be inspected again in Spring.  JAC asked if there was any nuance in terms of the inspection grading regarding Forces such as smaller rural Forces compared to a large Metropolitan Force. The HoCI confirmed there were no nuances as it was difficult to compare Force to Force due to how incidents were recorded. Gwent Police recorded public order offences differently to others and therefore appeared to be an outlier in that instance. However, HMICFRS have raised concerns in recent inspections that other Forces were not recognising the difference between Public Order Offences and Anti-social Behaviour Offences as Gwent Police were.  The Forces that received a good grade had a 93% compliance rating and 80-90% of their incidents were recorded within 24 hours.  CDI has been on the Force risk register since March 2022. A peer review was conducted taking into consideration what other Forces had achieved using simple metrics, such as the number of incidents being reported and recorded within 24 hours using Home Office Classification. Based on this, it appeared the Force would have probably achieved an inadequate rating by March 2023.  A significant period of change had taken place since, a new owner had been assigned to the risk in June 2023 and an implementation plan was put in place. CDI was originally split into 3 areas: the audit team, crime management unit and timeliness team. The change meant resources within the 3 areas became omnicompetent thus reducing delays and providing a greater breadth of knowledge across the team. A further audit was undertaken following the changes in September 2023 resulting a compliance rate of 91% compared to 88% in March 2023. It was expected the Force could achieve a rating of good or outstanding by June 2024. The risk would remain on the risk register for a further six months to ensure the changes could be maintained.  JAC members thanked the HoCI for the presentation and were assured by the actions taken to date and to be taken by the timelines for those that were planned for the future.  It was agreed the next Risk Deep Dive would be in relation to the Welsh Language Standards. | **Action**  **ACOR** |
| 1. The information contained in the report(s) below has been deemed not to be subject to the requirements of the Freedom of Information Act 2000, Data Protection Act and the Office of the Police and Crime Commissioner for Gwent’s public interest test and is deemed not to be exempt from publication under Section 7 |  |
| 1. **INTERNAL AUDIT (TIAA)** |  |
| We received the TIAA Update Report and the Review of the Proceeds of Crime Act 2002 (POCA).  TIAA informed JAC there were a number of collaborative audits that had been extended but were nearing completion, some delays had been experienced due to one of the Forces not being able to accommodate the original agreed dates. One of the Forces was not in a position to proceed with the Data Protection Act audit within the planned timetable, so it had been planned for January 2024. However, the audit report for the three remaining Forces would be issued in the interim and the final Force audit would be added to it following the audit in January 2024. A number of draft collaborative audit reports had been issued in addition to the final reports as indicated in the audit update, although they were later than expected due to the delays. JAC asked if Gwent Police were responsible for the delays and TIAA confirmed that all four Forces were responsible at times, however, one particular Force appeared to be responsible for the delays more than others. However, there were various reasons for delays such as resource issues due to holiday periods. Gwent Police was not the main Force causing the delays.  The JAC ICT Lead referred to the intended benefit of having an all Wales Contract between the Forces to learn from one another and suggested it would be beneficial to reduce these delays to improve the sharing of information at the earliest opportunity.  TIAA confirmed there had been an improvement this year due to there being more of a steer from Management, the issues tended to be one or two issues that cropped up unexpectedly which impacted on the planned audits, where a month was planned for each. A delay meant the audit would then have to take place three or four weeks later as other audits were planned and resources had been allocated accordingly.  The ACOR acknowledged it was logistically challenging to ensure the right people were available at the right time for the audit to take place due to the volume of the collaborative audits, however, the learning from them was beneficial for the Force. There was an allocated resource in Gwent to coordinate the availability of resources in Force to ensure timeliness of the audits.  The JAC Chair referred to the Review of the Proceeds of Crime Act 2002 (POCA) which had received a limited assurance and noted this audit rating linked into the Evidential Property item that was on the agenda for discussion. The importance of setting realistic timelines to act on TIAA recommendations was emphasised as it was noted that some of the set dates had passed which meant the risk had not been mitigated.  The ACOR advised it was a timing issue, any outstanding actions were noted on the Outstanding Audit Recommendations item on the agenda. The majority of the actions had already been completed. | **Action** |
| 1. **INTERNAL AUDIT (TORFAEN COUNTY BOROUGH COUNTY COUNCIL)** |  |
| We received the Torfaen County Borough County Council (TCBC) Shared Resource Service Quarterly Update Report on Progress.  The ACOR confirmed the audit plan had progressed well and the actions were being addressed in a timely manner and TCBC reports were being issued within each quarter as expected. One of the audits was delayed in relation to telephony which was only applicable to the Local Authorities (LA). The SRS were awaiting information from the LAs which caused the delay.  The JAC ICT Lead confirmed their ICT meeting this week was very positive.  The JAC ICT Lead referred to the large list of different ICT systems which was discussed at the ICT meeting and explained that it was an inherent risk because each of the platforms and tools used had to be understood by a member of staff. The ACOR confirmed a Service Level Agreement (SLA) and system owner was in place for all of the ICT systems used within the Force and dates were in place to review this periodically. However, it was acknowledged that employees within the Force moved roles quite often, so there was a need to ensure this was managed appropriately. The ACOR agreed to provide an update at the following March JAC meeting. | **Action**  **ACOR** |
| 1. **EXTERNAL AUDIT** |  |
| We received the External Audit Update Report.  AW confirmed the Financial Statement of Accounts had been signed by the CC and PCC and certified by the Auditor General on the 29th November 2023 and issued the Auditors Closure Letter on the 30th November 2023.  The Annual Audit Letter and Management Letter would be issued to JAC at the following meeting in March 2024.  A Post Project Learning session would be arranged with the Finance Department early in the New Year to review the audit process and a summary of the findings and recommendations would be captured in the Audit Management Letter. A further All Wales Post Project Learning session would be arranged by AW to share lessons learnt from the accounting closure process this year. The Audit Management Letter was not issued earlier as there was too short a timeframe between the certification of the accounts and this meeting.  AW planned to review how the 2023/24 audit would be delivered to determine if any efficiencies could be made based on this year’s process.  The JAC Chair explained that an audit plan would have usually been provided and some audit activity would have taken place at this time and it was noted that the delay in the audit of accounts this financial year was impacting on the following year’s process.  JAC queried if the accounting process would revert back to the previous timetable following the introduction of the ISA315 auditing standard and requested a plan in relation to timescales for this. JAC requested that a comprehensive audit plan was presented at the March 2024 meeting. The ACOR assured JAC he had been advised by AW that critical dates would be provided by the March meeting.  JAC requested the Audit Management Letter was circulated to the JAC Finance/External Audit Lead for review as soon as it was available and for him to arrange a call with AW to discuss the content.  The HoF assured JAC the timetable for the accounts closure would remain unchanged from a Force perspective and they would start their planning and close down process in January 2024.  JAC asked if the introduction of the new audit standard had impacted on the Finance Department. The HoF explained it had been an exceptional year given the longer period of external audit, due to peaks and troughs in the audit work and for those charged with governance. AW assured JAC that it was also within Audit Wales’ interest to conduct the audit as close to the production of the accounts as possible and they would be working closely with the Finance Department to identify any efficiencies to assist. | **AW**  **AW/**  **JACAFEAL**  **Action** |
| 1. **FINANCE PERFORMANCE REPORT Q2 2023/2024** |  |
| We received the Finance Performance Report Q2 2023/2024.  The ACOR informed JAC there had been slippage in the Capital programme, primarily due to the building of the Joint Firearms Unit (JFU) with South Wales Police (SWP) for which planning permission had taken over 12 months. Construction was due to commence in April 2024 and this had been incorporated within the budget. There had also been a number of other issues including delays in vehicle delivery timelines.  There had been an overspend on pay as a result of appointing more Police Officers than the mandated establishment of 1,506 FTEs.  At the end of Q2, police officer pay and salary allowances was under budget by £473k due primarily to the year to date effect of the timing of the cohorts of new officers from Operation Uplift entering the Force in September and March. The Operation Uplift target for 1,506 officers at 30 September 2023 was met and exceeded. The underspend was a non-recurrent saving for this financial year only. The planned recruitment had taken place and the full cost of officers would be realised for 2023/24 budgets onwards. There was also a £700k overspend on police staff, mostly due to a reduction in funding from the Welsh Government (WG) funding. The WG had previously funded 120 Police Community Support Officers (PCSO) and due to a change in the funding formula they were only funding 6/11ths which meant the Force were unexpectantly having to fund the costs of over 25 PCSOs.  An Efficiency Group had been established this year in Force to curtail spending and supplies and services have underspent by over £1m as a result.  The Force have not incurred the anticipated borrowing costs of £1.3m due to the reduction capital programme spend. The Force have also benefited by from an increase of £1m due to higher interest rates.  The JAC ICT Lead asked why there were large overspends on the national  ICT programmes. The ACOR confirmed this was due to an annual increase in charges relating to the ICT systems as the rise in inflationary costs were absorbed by Forces.  The Chair asked if there was an internal process that could identify potential constraints in terms of resourcing, such as succession planning, given that the ACOR was due to retire shortly, the CFO had been absent and there had been concerns raised regarding the processes and resources within the Finance Department in previous years. The HoF assured JAC there was a much larger team in the Finance Department than in previous years including four Senior Accountants and a Payroll Manager to ensure greater scrutiny. The HoF had 1-1s with his team and so was aware of any issues, if there were any. The staff were still omnicompetent but there was a defined structure in place with limits on particular roles. This process would continue regardless of any high level executive staff changes.  The JAC Finance/External Audit Lead welcomed the update and was assured by the resilience given there were four Senior Accountants.  The JAC Risk Lead asked if there were any activities that were consciously de-prioritised in the CFO’s absence and if so, what were the consequences of de-prioritisation. The HoF informed JAC this was primarily in relation to the capital programme and reserves. However, the Force were able to work with the Principal Finance & Commissioning Manager and the CEx in the OPCC to discuss commissioning budgets. The OPCC were able to continue their scrutiny and challenge in his absence.  The CEx explained there were governance arrangements in place in relation to providing resilience for procurement and contractual work as indicated in the Manual of Corporate Governance. However, the OPCC had requested the HoF cover the Section 151 element of the CFO’s role as of the 1st December 2023 until the end of March 2024. Any potential conflict of interest between the OPCC and the Force roles and responsibilities have been considered to ensure both parties were clear on what was expected of them. The CEx had commenced work with the Police and Crime Panel (PCP) and the PCP subgroup and was grateful the HoF had agreed to work with them on that area of work.  The JAC ICT asked if there was tangible evidence to ensure there was no conflict of interest between the roles to be undertaken by the HoF and to make sure the element of independence between the two organisations remained. The CEx explained this could be provided in due course but at this moment in time a review of each area of work was taking place to ascertain if the Section 151 Officer would be required on an as and when basis.  The CFO was expected to be back in work from January, however, this would be on a phased basis, and this could change. JAC would be made aware of any changes in the interim. An explanation would also be provided to the PCP on the matter.  The DPCC assured JAC members that appropriate governance arrangements were in place in the absence of the PCC and the CFO and she was in contact with the CFO should there be any questions they needed to ask.  The ACOR assured JAC members the statutory responsibilities between the Force and OPCC Section 151 Officers were very clear and therefore they there shouldn’t be any conflict of interest. | **Action**  **CEx**  **Action** |
| 1. **BUDGET REQUIREMENTS 2024/2025-2028/2029** |  |
| We received the Budget Requirements 2024/2025-2028/2029  The gap in funding for 2024-2025 stood at £3.406m and it was proposed to be funded through £2.708m reserves, £0.698m efficiency savings and an increase in precept of 6.82%.  The JAC Chair referred to the precept process and the financial constraints on the Force and suggested the risk in relation to obtaining a decent level of precept was even stronger, given the financial situation.  The Chair asked for the budget setting timetable to be presented to JAC and it was agreed it could be re-circulated to JAC members.  The ACOR confirmed the precept setting process was on plan as per the timetable.  The ACOR agreed it had been a challenging time and explained that a national paper had been presented to the Policing in Wales Group by Finance Directors from the 43 Forces across the UK to demonstrate the significant constraints on the revenue position. The Home Office (HO) funding increases were not matching many of the cost inflationary pressures presented to the Force and local decisions had to be made to manage this which may result in a reduction in police staff roles and policing services being re-prioritised.  It was proposed that the financial deficit was underpinned by reserves this financial year. However, savings made this year were unlikely to be made the following year. The proposed 6.82% precept equated to a £22 increase to band D households. The CC was concerned that it was at the higher end of the spectrum and was very aware that difficult decisions would have to made to meet the £2.7m shortfall the following financial year to ensure the priorities in the Police and Crime Plan could be met.  The JAC Finance/External Audit Lead referred to the WG reforming Council Tax in Wales and asked if that had been factored into the Forces MTFP and what impact it would have. The ACOR confirmed it had not been factored in yet. This would need further review as the gains for members of the public in deprived areas would be offset by those people in the more affluent areas.  The DPCC assured JAC members the CC’s Budget Bid had been received at the recent Strategy and Performance Board and scrutiny of the budget had commenced. Arrangements had been made with the HoF and ACOR to interrogate the budget this week and the OPCC had met with the PCP subgroup last week to ensure continuity of scrutiny. The Government Grant was to be announced in December 2023 which would provide further clarity when scrutinising the budget proposal.  The HoF confirmed the Police Settlement was expected on the 13th December 2023 and the WG draft budget was due on the 19th December 2023. This would further inform the budget for scrutiny by the OPCC in preparation for the precept proposal to the PCP in January 2024. | **GO**  **Action** |
| 1. **RESERVES STRATEGY 2023/2024** |  |
| We received the Reserves Strategy 2023/2024.  The JAC Chair referred item 2.1 ‘currently forecasts on-going financial challenges until at least 2028/29 and potentially beyond’ and queried how this fitted in within the 5 year plan if it was beyond that period.  The HoF advised the reserves consisted of £14m, £5m of which was the general reserve for emergencies. The vast bulk of the remaining £9m reserves related to longer term projects, around £6.5m of which was for the Emergency Services Network to replace Airwave. This project had been delayed several times and therefore was classed as long term and beyond the current MTFP.  The HoF assured JAC members he had taken the opportunity to discuss and agree the reserves with the CFO as part of the CC’s budget bid before the CFO’s leave of absence.  The reserves have continued to drop and details on the use of the Reserves could be found in the appendix including utilising them to fund the capital programme and the ongoing revenue projects.  Any additional efficiency savings made above the £2.7m current gap could be transferred to reserves and used to offset borrowing as much as possible. |  |
| We agreed to take item 15, Treasury Management Strategy 2024/2025 together with item 16, Treasury Management Strategy 2023/2024 Six month update report. |  |
| 1. **TREASURY MANAGEMENT STRATEGY 2024/2025 AND TREASURY MANAGEMENT STRATEGY 2023/2024 SIX MONTH UPDATE REPORT** |  |
| We received the Treasury Management Strategy 2024/2025 and the Treasury Management Strategy 2023/2024 Six Month Update Report.  The JAC Chair referred to table 6.2 in the Treasury Management Strategy Appendix A and noted it stated 0 in column 2024/25 under/(over) borrowing and in the same column in table 7.1 net borrowing of £2,778 and queried if this was correct. The HoF explained the table in 6.2 indicated how the capital financing requirement was to be funded and if the debt incurred as a result of that would exceed or be less than that requirement. It related to the first year of debt to purchase and following that there would be a need to borrow slightly more to keep up with the payments.  The HoF was asked what time period the Force would be borrowing over as interest rates were high at the moment. The report indicated an interest rate of 8.1% and this was reducing over time. Predictions had shown for a 50 year borrowing period, the interest rate would be around 3.9% depending on the length of the borrowing requirement. A decision on when to borrow and whether it was a fixed or variable rate was dependent on the requirements of the capital programme and speed at which the projects were needed. The longer the borrowing period was delayed the better the rate would be. Equally the longer the length of time borrowing, the better the rate at which the Force could borrow.  Based on assumptions in the MTFP, it was anticipated the Force would borrow from 2026/27 onwards for the Gwent Police Operational Facility based on a 50 year loan. The HoF assured JAC he would provide an update should the position change.  The JAC ICT Lead asked what would happen should the economy switch to the opposite direction. The HoF confirmed consideration would need to be given to the capital programme and what they were borrowing for.  Our attention was drawn to table 7.1 in Appendix A, Gross Debt exceeding the Capital Financing Requirement and the HoF was asked if the Force were comfortable with that. The HoF explained there was no issue with the reserves position in 2024/25 as the ongoing ability to pay the interest rates were set out in the MTFP. However, it was dependent on the Capital Strategy as to what projects were forthcoming.  We noted the following amendment in the Treasury Management Strategy 2023/2024 Six Month Update Report.  Page 1, 3.1.1 ‘Fixed investments should read ‘Fixed Term Investments’. | **Action**  **HoF** |
| We took a short working lunch. |  |
| 1. The information contained in the report(s) below has been subjected to the requirements of the Freedom of Information Act 2000, Data Protection Act 2018 and the Office of the Police and Crime Commissioner for Gwent’s public interest test and was deemed to be exempt from publication under section 7. |  |
| 1. **EVIDENTIAL STORAGE ACTION PLAN UPDATE** | **Action** |
| We received a presentation on the Evidential Storage Action Plan.  There were originally 77 items missing during the original TIAA audit. All items had been located or accounted for except 2. An explanation was provided regarding the 2 unaccounted items and the next steps clarified.  All of items missing in the main store had been located.  Regular sweeps of the interim stores were taking place to ensure storage levels did not rise again.  The items with expired review dates stood at 48%. An Inspector had been deployed to the Evidential Property Unit in order to reduce the level of items held.  Of the monies seized, £90,000 had been transferred to the HO and £3,000 had been returned to the owners.  A plan was in place to implement the Property element to the Niche Policing system by the 1st April 2024.  A full audit of the property transferred from old HQ was underway and expected to be complete by the end of the following week with updates provided at the following meeting.  The HoCJD informed JAC the Force had completed their own audit of the main store of 15,000 items; 438 items could not be located in the store. The HoCJD assured JAC none of the items related to cash or firearms. It was anticipated that many of the items would have been transported to an alternative Property store and an audit of that store should identify many of the items.  The overall volume of evidential property had reduced to 64,000 items. Although there had been a slight increase month on month due to identifying items to be returned to their owners and the time taken to process those returns. The Force were reviewing this to ascertain if more could be done to improve this issue. In October 2023 over 4,000 items were returned or disposed of.  JAC asked what the process was if the owner could not be contacted. The HoCJD assured JAC it had not been brought to his attention as being an issue.  The ACC thanked the HoCJD for the work he had undertaken to date and for the progress made. This had ensured the key risk had been addressed although it was acknowledged there was further work to do.  JAC acknowledged the improvements and were pleased the plan was progressing well. | **Action** |
| 1. The information contained in the report(s) below has been deemed not to be subject to the requirements of the Freedom of Information Act 2000, Data Protection Act and the Office of the Police and Crime Commissioner for Gwent’s public interest test and is deemed not to be exempt from publication under Section 7 |  |
| 1. **OUTSTANDING AUDIT INSPECTION RECOMMENDATIONS** |  |
| We received the Outstanding Audit Inspection Recommendations report.  The ACOR confirmed the TIAA audits recommendations were progressing well, the extension request related to an audit led by North Wales Police which was expected to be completed by the end of March 2024.  There were 2 outstanding SRS recommendations relating to other partner organisations and the remaining actions were progressing as planned.  JAC acknowledged progress made in this area. |  |
| 1. **JAC SELF ASSESSMENT ACTION PLAN** |  |
| We received the JAC Self-Assessment Action Plan.  We agreed the following in relation to the actions:  Action 1, New Action, the HoAC agreed to circulate the updated Terms of Reference for comment.  To close the action relating to IRS16 Leasing Standards as the Financial Statements had been received.  Action 4a, the Board Assurance Framework would be presented to JAC in September.  A list of Risk Deep Dives undertaken would be added to the end of the JAC Self-assessment Action Plan.  All of the actions relating to the BAF would be combined.  The JAC Risk Lead would review the actions relating to Risk on the JAC Self-assessment Action Plan to advise is any of the actions could be combined.  The new action relating to the Estate Strategy would be updated due to the delay.  The action relating to the ‘Voice of the JAC being heard’ was to be closed. | **HoAC**  **HoAC**  **HoAC**  **GO**  **HoAC**  **JACRL**  **HoAC**  **HoAC** |
| 1. **ANY OTHER BUSINESS** | **Action** |
| It was agreed the Deep Dives Topics would be circulated by the Chair with the 1-1 template for consideration and suggestions would be agreed at the following meeting. | **Chair** |
| 1. **TO IDENTIFY ANY RISKS, TRAINING REQUIREMENTS OR ETHICAL MATTERS ARISING FROM THIS MEETING** |  |
| It was suggested that Collaborative Internal Audit and Collaborative Projects should form part of the following All Wales JAC Training Day agenda.  JAC reiterated their concerns regarding general resource management issues in ICT, particularly given the reliance placed on South Wales Police and suggested this should also be added to the All Wales JAC Training Day agenda. | **GO**  **GO** |
| **The meeting concluded at 13.32pm** |  |