

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

JOINT AUDIT COMMITTEE

29th June 2017

Present: Mr J Sheppard (Chair)
Mr A Blackmore and Mr R Leadbeter

Together with: Mr J Cuthbert – Police and Crime Commissioner (PCC)
Mr D Garwood-Pask – Chief Finance Officer (CFO)
Mrs S Curley – Chief of Staff (CoS)
Mrs J Regan – Information Officer (IO)
Mr N Stephens – Assistant Chief Officer, Resources (ACOR)
Mr M Warrender – Chief Superintendent, Head of Service Development (HoSD)
Mrs L Virgo – Head of Finance
Mr D Burrige – Wales Audit Office (WAO)
Ms T Veale – Wales Audit Office
Ms R Freitag – Wales Audit Office
Ms V Davies – TIAA (IA)
Ms W Wright – TIAA

The meeting commenced at 10:00am.

The Chair welcomed Mr D Burrige and Ms R Freitag from the WAO, Ms W Wright from TIAA, Ms L Virgo and Mr M Warrender to the meeting. **Action**

APOLOGIES

1. Apologies for absence were received from Ms D Turner, Mr G Hughes, Mr J Herniman (WAO), and Mr J Farrar – Chief Constable.

DECLARATIONS OF INTEREST

2. Both Mr J Sheppard and Mr R Leadbeter declared an interest in item 4 of the agenda, Approval of Operating Principles and Terms of Reference due to the inclusion of a 'rollover' option once the initial five year tenure period had been reached.

MINUTES

3. The minutes of the meeting held on 9th March 2017 were received and confirmed. The following was highlighted:

Page 14, Agree Deep Dive Areas for 2017/18

We discussed the need for the JAC to gain an understanding of cybercrime and cyber security and agreed that the deep dives planned needed to be reviewed in order that this could be covered as soon as possible.

We agreed that both cybercrime and cyber security would be discussed at the September 2017 deep dive. The Public Protection deep dive scheduled for September would now take place in December with the Value for Money profiles to be discussed during the December meeting.

Action
IO/
ACOR

ACTIONS

4. We received and noted the actions from the meeting held on the 9th March 2017. The following were highlighted:

Action 2, Actions

We were pleased to note that the Her Majesty's Inspectorate of Constabulary (HMIC) Force Liaison Lead for Gwent Police was able to attend our December 2017 meeting.

Action 6, Force Gifts and Hospitality Policy Review

The ACOR informed us that the Anti-Bribery and Corruption Policy should be available for the next JAC meeting in September 2017.

IO/
ACOR

Action 10, Any Other Business

The CFO informed us that the resource support provided to the JAC would be re-assessed as part of the review of staffing within the OPCC.

APPROVAL OF OPERATING PRINCIPLES AND TERMS OF REFERENCE

5. We received the JAC Operating Principles and Terms of Reference (ToR) for approval.

At the previous JAC meeting in March 2017, we requested that the Operating Principles and ToR document was merged with the JAC Eligibility Criteria document. The CFO informed us that he had spoken to colleagues nationally and across Wales regarding the options available to the OPCC and Force in its consideration as to whether JAC membership could be 'rolled over' once the first tenure period had been reached. We were informed that a variety of different options were utilised from automatic renewal to a full recruitment process. It had been agreed that member tenure could be 'rolled over' subject to members undertaking satisfactory annual performance meetings. This had been reflected in the amended Operating Principles and ToR document.

We noted that the meetings did not need to be laborious and would usually take place prior to or after a relevant JAC meeting and would be linked to when each member had been appointed in order to ensure they were distributed throughout the year. The CFO agreed to devise a form relevant to the process with set questions that needed to be covered and would include any relevant development opportunities.

CFO

Mr J Cuthbert joined the meeting at 10.25am

We agreed that the 3 members' tenure that was due to expire in September 2017 would need to undertake their annual performance meetings during July or August.

IO

We agreed that as the Chair was an annual appointment the three year maximum term served would remain the same.

Action

We requested that underneath the areas that do not fall into the scope of the JAC that the following was removed "A Review of the August Disorders. Intelligence on Criminality Associated with Protest".

IO

The CoS informed us that the Home Office were currently undertaking a consultation in relation to the remuneration paid to Police Appeals Tribunal Members. As the same remuneration rate was paid to the JAC, the CoS offered to ensure we were updated on any change once the consultation period had concluded.

CoS

We agreed to add the following sentence underneath the 'External Audit' section:

'Receive and review external audit reports and monitor progress of implementing recommendations'

IO

We approved the JAC Operating Principles and ToR.

WAO UPDATE REPORT

6. We received an update from the WAO of which the following points were highlighted:

We noted that the audit planning work had been completed with no significant matters identified.

We noted that the audit of the draft financial statements had begun and that the WAO had received them earlier than expected.

The WAO drew our attention to the identified risk of the loss of knowledge and experience from the finance department. We noted that a new Head of Finance had been appointed and it was hoped that sufficient knowledge remained within the department to assist with the audit of accounts. The WAO informed us that they were starting to experience a knowledge gap, although they were comfortable that the process would be finalised appropriately. We noted that the issues identified to date were mainly presentational in nature. The ACOR assured us that both he and the CFO had given the accounts a thorough review prior to submission to the WAO and stated that each year a variety of issues would be identified. We noted that the OPCC and Force were in a positive position to complete the audit by the WAO deadline date of 14th July 2017.

The CFO informed us that the finalised accounts and the International Standard on Auditing (ISA) 260 report would be presented to the September JAC meeting along with the Year End Finance Report.

We queried if it was coincidence that two key members of staff within the finance department were leaving at the same time. The ACOR confirmed this was as a result of the restructure of the department which

included a 6 month implementation period which had concluded.

Action

The Chair passed on his thanks to the finance team for the work undertaken to date. Thanks were also passed to the CFO and ACOR for keeping the JAC members updated with progress on the restructure. We requested that the embedding of the new structure was completed as quickly as possible.

The ACOR informed us that the Fully Integrated Resource Management System (FIRMS) system would become 'live' in the next four weeks; any challenges as a result would be expected to be seen during August. The system had been designed based on best practice jointly with South Wales Police.

The Head of Finance informed us that she had now been in post for 4 weeks and was assured by the processes currently in place. Her priority was to assess the finance team and understand the work plan. There was one permanent role still to be filled which was currently being advertised. We noted that a learning and development plan had also been developed and was in place in order to prepare the finance team for the work that needed to be undertaken in readiness for the accounts process next year.

The WAO informed us that it was recommended that the JAC members would need to be included in the list of people who were required to complete the Related Party Transaction Disclosure document; we noted that other forces required their JAC members to complete this form. We agreed that the form would be circulated for completion by all members.

IO

The WAO highlighted that a discussion paper to simplify the fee regime was currently out for consultation with feedback required by 28th July 2017. An explanation was provided regarding the three key changes being suggested; we queried if either the ACOR or CFO had any comments, both stated that they had no concerns with the proposals outlined by the WAO.

INTERNAL AUDIT – TIAA

7. We received the following reports from internal audit:

a) Update Report 2016/17

The following audits have been finalised since the last meeting and concluded the work for 2016/17:

- Collaborative Project – Joint Legal Services;
- Follow Up Report;
- First Point of Contact; and
- Information Management.

We were advised there had been one amendment to the agreed audit plan for 2016/17 due to Torfaen County Borough Council (TCBC) taking

over the audits for all IT functions. Therefore the planned IT audit had been re-scoped to avoid overlap with the TCBC audit and only covered Marketing Social Network.

Action

We were pleased to note that there had been minimal slippage in relation to the audits and thanked the Force, OPCC and TIAA in the work undertaken to ensure they were completed on time. The ACOR informed us he hoped to maintain this during 2017/18 and assured us that the organisation now placed much more of a focus on the audit function than it had done previously.

b) Annual Report 2016/17

Internal audit highlighted the Head of Internal Audit's Annual Opinion, "...has reasonable and effective risk management, control and governance processes in place".

No priority 1 recommendations had been issued in 2016/17.

We noted the assurance ratings of all audits completed and were pleased to be informed that the performance targets set by internal audit had been achieved.

We were pleased with the 'reasonable' assurance rating provided by the Head of Internal Audit for 2016/17 and were also assured that there was evidence to support achievement of value for money with regards to economy, efficiency and effectiveness of the systems reviewed.

We noted that the force had paid for additional days used above the original number of days already contained within the plan for 2016/17.

The CFO informed us that the Annual Governance Statements would now be updated to reflect the Head of Internal Audit Annual Audit Opinion.

**CFO/
ACOR**

c) Update Report 2017/18

We were informed that since the last JAC the following final audit report had been issued:

- Vetting

We were also informed that since this progress report had been distributed a further audit reported had been finalised in relation to Fleet Management.

Internal audit brought the change to the audit plan for 2017/18 to our attention. We noted that following a recent review undertaken by HMIC, management had requested that compliance testing of 150 stop and search cases were completed; the review had been planned to take place in August 2017.

We queried why the 'HR Management – Strategy' audit had been delayed from quarter 1 to quarter 2 and queried if there were resourcing issues within HR. The ACOR informed us that the delay was due to resourcing issues but they were not on the same scale as the issues that had been experienced within the Finance department. The delay was due to the department ensuring that all personnel records were complete in order for their move on to the FIRMS system; it was important that the records were accurate and to allow the department to concentrate on progressing this piece of work the audit had been delayed.

Action

We discussed the need for JAC members to gain an understanding of cybercrime and cyber security. IA offered to circulate briefing papers on the relevant areas to the JAC members. We agreed that gaining an understanding of this area was important and requested that cybercrime and cyber security were the focus of the next deep dive in September. We requested that consideration was given to including the briefing sheets that would be provided by internal audit into the deep dive session and that hard copies of these sheets were also provided in order to assist our discussion.

IA

**IO/
ACOR**

**ACOR
IO**

Internal audit offered the assistance of one of their auditors with experience in this area to attend the deep dive session. We agreed that this would be useful. The ACOR also advised us that TCBC would be undertaking a cyber security audit during July and would also ask if a member of their audit team would also like to attend the deep dive session.

IA

ACOR

The ACOR explained that the audit relating to 'Governance – Strategic Planning' had been moved due to the force undertaking changes to its meeting structure and was also due to the recent change in the Chief Superintendent in charge of the department.

We queried if the stop and search review recently undertaken by HMIC was operational in nature and therefore outside of our ToR. The HoSD informed us it was operational in nature; the ACOR advised us that the review to be undertaken by internal audit would provide the force with the assurance that stop and search was being managed correctly and that the report from internal audit would be provided to JAC members for their comment as per the usual process.

Detailed Audit Report Vetting

We noted that the detailed audit report for Vetting had been included on the agenda for discussion due to the 'Limited' assurance rating it had received.

The ACOR informed us that all police forces historically had a backlog of vetting due to the need to 'vet' those who had never previously been required to complete the process. We also noted that vetting levels had been changed nationally and this required all staff to undertake the vetting process to the new levels; this was currently being considered as part of the Staying Ahead programme.

Internal audit informed us that this was an area they had reviewed on numerous occasions across a variety of forces and suggested that vetting could be undertaken nationally allowing large savings to be made.

Action

The ACOR stated that all temporary staff members and contractors were high risk for the force and took priority but acknowledged that resourcing needed to be reviewed.

We agreed that this was an area that the force needed to focus on as a matter of importance, especially as 48% of police officer vetting was not up to date. The ACOR advised us that the vetting database was not currently up-to-date and stated that numbers were likely to reduce when this issue was resolved.

The CFO informed us that when the minutes were discussed at the Strategy and Performance Board (SPB) he would highlight the concerns raised by JAC members to ensure that all senior officers were aware.

CFO

Follow Up Audit Report

We received the follow-up audit which reviewed priority 1, 2 and 3 recommendations arising from internal audit reviews undertaken by TIAA during 2015/16 and 2016/17.

We queried how many of the outstanding recommendations were priority 1 rated. Internal audit informed us that the majority of outstanding priority 1 recommendations related to historic on-going areas of work such as the implementation of the FIRMS system, Disaster Recovery and Wales Interpretation and Translation Service (WITS); there were currently no areas of concern to highlight to the JAC.

We noted that the report showed that no revised target date had been set by the force. The ACOR advised us that all recommendations had been allocated revised target dates and this was evidenced in the Outstanding Audit Recommendations Report that was presented to the JAC at every meeting. TIAA provided a system that the force had currently chosen not to utilise so the revised dates had not been input into the system and hence were not shown in this report. Due to the retirement of the Outstanding Audit Recommendations Report author in the near future, the ACOR advised us he would review how the report was provided and if the system provided by TIAA could be utilised. A report presenting the proposal would be provided to the JAC in September.

ACOR

INTERNAL AUDIT (TORFAEN COUNTY BOROUGH COUNCIL)

8. We noted the circulated detailed audit reports provided by TCBC in relation to the Shared Resource Service (SRS) and the assurance ratings they had received:
- Email;
 - Service Desk Follow Up; and
 - Change Management Follow Up

We noted that no audits undertaken since the last meeting had received a 'Limited' or 'No' assurance rating and therefore none were included on the agenda for further discussion.

Action

INTERNAL AUDIT (TORFAEN COUNTY BOROUGH COUNCIL) SHARED RESOURCE SERVICE ANNUAL REPORT 2016/17

9. We received the SRS Annual Audit Report from TCBC.

The ACOR informed us that the TCBC auditors presented these reports to the SRS Board and that he would resolve any queries that were raised at this meeting.

We noted that a "Generally satisfactory with some improvements required" audit opinion had been provided.

We queried who provided the due diligence in the appointment of TCBC as internal auditors as the JAC members had not been included in their appointment as they had been with TIAA. The ACOR informed us that the SRS Board had identified that TCBC had the skills needed to undertake audits relating to all IT functions and that the WAO would raise any areas of concern within the Annual Governance Statements.

We noted that two of the audits planned for 2016/17 had not been completed. The ACOR informed us that this was due to the resource available within the SRS. He advised us that the Board had requested that the SRS management release capacity to assist with the completion of audits rather than focussing resources on areas of new development. Partners were aware that this would reduce the speed of new developments but were assured that they would now remain compliant with the governance and maintenance of all IT functions.

INTERNAL AUDIT (TORFAEN COUNTY BOROUGH COUNCIL) SHARED RESOURCE SERVICE AUDIT PLAN 2017/20

10. We received the SRS Audit Plan 2017/20 from TCBC.

The ACOR presented the SRS Audit Plan and informed us that the Plan covered 2017 to 2020; an annual plan would be brought to the JAC for each financial year. A risk based approach had been taken when deciding how frequently an audit needed to take place.

One critical area had been highlighted (Information Security Management (Service Design)) and this would be audited on an annual basis.

We noted that the Audit Plan had been approved at the SRS Governance and Finance Board.

OUTSTANDING AUDIT INSPECTION RECOMMEDATIONS

Action

11. 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.

The ACOR informed us that all external audit recommendations from the WAO had been completed with 55 internal audit recommendations currently on-going.

Page 1, R03 IT Disaster Recovery

The ACOR reminded us that a deep dive had taken place on Disaster Recovery in March 2017 and informed us that progress with implementation of the Disaster Recovery suite was on track. The ACOR stated that ensuring Disaster Recovery remained on this report to keep members updated was important; it was the reason why the revised completion dates replicated the dates of the JAC meetings. He was confident that by September one of the platinum level systems would be fully operating on the disaster recovery servers and would be able to provide us with an update as to when the inclusion of the remaining platinum systems would take place. We thanked the ACOR for keeping us informed in relation to progress with the implementation of the disaster recovery function and agreed it was important to record that progress with implementation was not falling further behind. The ACOR advised us he would consider including milestone dates within the report; he advised us that he expected the disaster recovery audit recommendations to be completed by March 2018.

ACOR

Page 3, R01 Joint Scientific Investigation Unit (JSIU)

The ACOR informed us that the final report on the review of the JSIU had now been received with a recommendation to move towards a lead force model. The recommendation was currently being considered by Joint Legal Services (JLS) prior to a discussion taking place between the both the South Wales and Gwent Chief Constables and PCCs. We noted that the lead force model would ensure that areas such as HR and IT systems were aligned for all staff members working within this area; there was currently a disjointed approach which caused issues for line managers and with access to systems.

ACOR

The PCC informed us that he had recently visited the JSIU and stated that he recognised the issues and would discuss with the Chief Constable to ensure the appropriate decision. The CFO stated he would raise this at the SPB when presenting the JAC minutes.

CFO

Page 4, R01 Payroll

The ACOR explained that the review of policies and procedures relating to Payroll were being reviewed due to the implementation of the FIRMS system across Gwent and South Wales. There would be one guidance document for both forces to follow. He was confident that this would be completed by the revised deadline date of 30th September 2017.

Page 5, R03 ICT Network Control Arrangements

Action

The ACOR advised us that once the review of HR records had been finalised and provided to the SRS, this audit recommendation would be completed by the revised deadline date of 31st July 2017.

Page 9, R01 Wales Interpretation and Translation Services (WITS)

The ACOR informed us that the transfer of the WITS would 'go live' with Cardiff Council on 1st July 2017. Prior to the hand over the force had vetted approximately 1,400 interpreters covering over 60 languages; 28 organisations used the service.

We agreed that we did not want to replace the format of this report. The ACOR informed us he would link with internal audit to determine if there was a method of utilising the benefits of the system they provided that produced a report in the preferred format.

ACOR

STATEMENT OF ACCOUNTS

INCLUDING APPROVAL OF ANNUAL GOVERNANCE STATEMENTS

- 12. We received the draft Statement of Accounts from the CFO. We noted that the both the PCC Group Statement of Accounts and the CC Statement of Accounts were provided for consideration together due to the similarities across the documents.

The CFO advised that the draft Accounts were presented for consideration prior to being finalised for sign-off in September 2017. We were reminded that the 'go-live' date for the faster closing of the accounts would be August 2019. The ISA 260 report would also be presented alongside the finalised Statement of Accounts with any changes to the Accounts highlighted to members.

We were informed that the Statements of Accounts, which incorporated the Annual Governance Statements, provided the current positions of each Corporation Sole.

We queried if any estimates were included in the accounts and if they were likely to change. The CFO informed us that the largest estimate contained within the document linked to pensions. The WAO also informed us that the collaboration figures may change if the current figures are not agreed. The CFO informed us that due to the faster closing of the accounts in future years we may need to include estimates of collaboration figures due to the complexity around their agreement.

The CFO highlighted that £2.5 million of accelerated efficiency savings had been achieved in 2016/17. This had been transferred to the PCCs reserves with £750,000 transferred to ear-marked reserves. The CFO advised us he would present an updated reserves schedule to the September meeting of the JAC as part of the Medium term Financial Projections as well as revising the Reserves Strategy document.

CFO

CFO

We noted that the PCC's negative net worth sat at approximately £1.4

billion. When future liabilities of both the police officer and police staff pension scheme were excluded the net worth became positive and sat at approximately £52 million of cash backed reserves. This £52 million of reserves was all committed for areas such as working capital, operational emergency reserves, Private Finance Initiative (PFI) repayments and the replacement of the police headquarters building and other capital schemes.

Action

We noted that the format of the accounts had changed slightly for the 2016/17 financial year; the ability to report within headings that were used in force on a monthly basis was now possible with an additional heading now included.

We were informed that within the Manual of Corporate Governance there was a Code of Corporate Governance which set out the governance framework to which both organisations adhere. We noted that the AGS explained how the PCC and the Chief Constable had complied with the Code of Corporate Governance during 2016/17.

The AGS was also the method by which both organisations undertake an internal review of their corporate governance. We were informed that the AGS was structured around the seven core principles contained in the 2016 guidance provided by Chartered Institute of Public Finance and Accountancy (CIPFA) and Society Of Local Authority Chief Executives (SOLACE) and also considered the seven principles of public life (the Nolan Principles).

We queried if the Gwent AGS's were similar to that of South Wales. The ACOR stated the format was as we shared a JLS department which advised on their content and structure. We noted however that South Wales PCC and Chief Constable had taken the decision to merge their documents so only produced one whilst Gwent's were still separate.

The CFO informed us that now the annual audit reports had been received from both sets of internal auditors, the Statement of Accounts for both the PCC and the Chief Constable would be updated to reflect the audit opinion and the audit reports undertaken throughout the year.

**CFO/
ACOR**

We noted that the SPB had reviewed the draft documents at their meeting on 23rd May 2017.

The CFO requested that any typographical errors were reported to him or the ACOR outside of the meeting.

ALL

We discussed both the PCC and the Chief Constable's AGS's; the following were highlighted:

- Page 9 - PCCs document references TCBC, there was no reference within the CCs document;
- Page 10 - We queried the wording of the following statement "The JAC has specific responsibility for providing an independent assurance function" and requested an explanation as to what it

ACOR

COMMISSIONING UPDATE – VERBAL

Action

14. We received an update from the CFO in relation to the PCCs commissioning process.

We were reminded that the Commissioning Strategy was made-up of three different tiers:

- Tier 1: Positive Impact Fund (PIF) - £10,000;
- Tier 2: Partnership Fund - £250,000 from the Proceeds of Crime Act; and
- Tier 3: Strategic Commissioning - Strategic Community Safety, Anti-Social Behaviour prevention and reduction, Crime prevention and reduction, Rehabilitation and Victims' Services.

We were informed that this year's Partnership Fund process had received 235 applications totalling approximately £1.3 million. 143 were successful at Stage 1 of the process and progressed to stage 2. At this stage each organisation took part in an interview process with the results discussed by a multi-agency panel who then made recommendations to the PCC as to whether funding should be awarded. As a result there were 82 successful applicants with bids totalling £299,000; the CFO informed us that there was flexibility annually with the total amount that could be awarded.

The PCC advised us that the process was to be reviewed for next year; future processes would utilise data on deprived areas with a more proactive approach taken to ensure the money went where it was most needed and that neighbourhood policing would be involved in order to improve young people's perspective of the police service.

The CFO informed us that Tier 3 funding was under the directorship of the Strategic Commissioning Board (SCB). The SCB was suspended in May 2016 due to PCC elections and was re-established in late 2016 but attendance at the meetings was not perceived to be appropriate. The CFO and DPCC investigated the reasons for the lack of attendance by meeting with representatives from statutory bodies on the SCB and discovered that the introduction of Public Service Boards (PSBs) amongst other factors had impacted upon attendance at the SCB. The decision was made to postpone the SCB and focus on the work of the PSBs; once these had been embedded the SCB could consider how best to drive forward the PCC's priorities. Until the SCB was re-established, the OPCC had contacted each public sector partner in Gwent to determine how best the PCC's policing priorities could be delivered.

MEDIUM TERM FINANCIAL PROJECTIONS

15. We reviewed the Medium Term Financial Projections (MTFP) from the CFO.

The CFO informed us that the funding formula review was still on-going. He had expected to hear the outcome by late June/early July after the

general election had taken place but this had not happened.

Action

We were advised that the MTFP had changed minimally since the budget setting process; a new line had been included regarding the Apprenticeship Levy that had been introduced and the MTFP 'moved on' a year (forecasting to 2022/23). As a result the deficit had increased from approximately £9 million to £11.5 million; this included an estimated reduction in funding of £6 million as a result of the funding formula review.

The ACOR stated that current plans were to be maintained whilst uncertainty still surrounded the outcome of the funding formula review

KEY PERFORMANCE INDICATORS

16. We received and noted a report on the Key Performance Indicators (KPIs).

The ACOR advised us that the Performance Against Budget' KPI had been omitted from this report but would be included in future reports.

We noted the Current and Quick Ratio's and were informed that these both sat well above 1.0 due to the significant earmarked reserves set aside for the replacement of Police Headquarters and other capital commitments. The ACOR stated that the purchase of land to build the new Police Headquarters building was progressing and a tender process for a contractor was currently underway. It was hoped that planning applications would be submitted by the end of 2017. We queried if there was a risk to the levels of reserves if the Home Office were made aware of the amount held. The CFO informed us that he ensured that the Home Office were aware of the reasons for the high level of reserves and committed funds; we noted that over coming years nationally we would see reserves reducing significantly.

The number of days taken to pay purchase order invoices was highlighted. The ACOR informed us that the introduction of the new FIRMS system into the finance department had resulted in resources being diverted from this area; however it was anticipated that once the FIRMS system had embedded into the organisation that this would assist in reducing the length of time taken to pay these invoices.

We noted that the outstanding debtors figure over 12 months had decreased although we were starting to see the amount owed increase within the 6-12 month bracket. The ACOR informed us that this was again as result of resources being concentrated on the implementation of the FIRMS system and should start to reduce in the near future. The Chair reminded us that internal audit had circulated a comparison of outstanding debt amounts across other forces they worked with and Gwent was found not to be an outlier in this area.

We were surprised to note that many of the large debts related to other public bodies, the ACOR stated that even though they were large debts

they would eventually be paid. In relation to the WITS debt we were advised that once the transfer of WITS to Cardiff Council had completed, any outstanding debt held by Gwent would be cleared by payment from the WITS reserves; no financial impact would be experienced.

Action

We noted the proposed amounts that were to be written off since the last meeting of this Committee.

OPCC DECLARATIONS OF INTEREST AND GIFTS AND HOSPITALITY REPORT

17. We received the Gifts and Hospitality/Business Interests report from the CoS.

The CoS informed us that two additional business interests had been approved in relation to the renting of spare bedrooms via the Airbnb site; the restrictions on approval of these business interests were also brought to our attention.

We noted that all Gifts and Hospitality received by the PCC and staff members of the OPCC were published on the OPCC website with a copy of the register attached for information.

We queried if it was appropriate that the Gifts and Hospitality received by the PCC were approved by the CoS. The CoS informed us that in her role as monitoring officer, she would need to raise any cause for concern and if needed could contact organisations such as the WAO for assistance with any concerns.

GWENT POLICE GIFTS AND HOSPITALITY REPORT

18. We received and noted the Gifts and Hospitality report for the force.

The ACOR advised that the same regulations applied to the force as to the OPCC and that the majority of gifts consistently fell into the categories of low value consumable goods.

We considered the registers provided with the report; the WAO stated that the registers should contain the value of the gifts and/or hospitality received by officers and staff. The ACOR stated that this information was recorded but had not been included in this report.

ACOR

The CoS left the meeting at 1.35pm

GWENT POLICE BUSINESS INTERESTS REPORT

19. We received and considered the Business Interests and Secondary Employment Review.

The ACOR informed us that all officers and staff were required to declare any business interest or secondary employment. Each declaration needed to be reviewed on an annual basis. We queried what the

mechanism was that triggered the requirement for the review to be undertaken. The ACOR stated that the onus was placed on the individual to undertake this process and for approval to be provided by the line manager before the information was passed to the Professional Standards Department who maintained the registers.

JAC SELF-ASSESSMENT ACTION PLAN

20. We received and noted the JAC Self-Assessment action plan.

We noted that the action plan would be updated with outcomes from the Self-Assessment process once they had been agreed at this meeting.

We agreed that the reference to the review of the Operating Principles and ToR would be an annual action along with the evaluation document confirming the JAC's compliance against this document which was provided as part of the JAC Draft Annual Report.

We agreed to carry forward the action that related to ensuring the purpose of the JAC was understood across relevant levels of the OPCC and the force.

JAC DRAFT ANNUAL REPORT

- **AGREE SELF-ASSESSMENT ACTION PLAN FOR 2017/18**

21. The Chair informed us that the Annual Report had been prepared by the IO and was accompanied by a number of appendices that would be the subject of discussion in order to agree a final report for presentation to the Committee in September.

Ms R Freitag left the meeting at 1.50pm

We reviewed the contents of the covering report and the information set out in the draft Annual Report and Appendices. The following were highlighted:

Appendix 1:

- Page 1 – refer to the whole tenure of the first PCC;
- Page 2 – embed link to the JAC Operating Principles and ToR when its first referenced;
- Page 2 – acknowledge the tenure of the previous Chair of the JAC;
- Page 4&5 – insert the internal audit report titles into a table;
- Page 5 – amend the date in the footnote from 2017 to 2016.
- Page 6 – amend the title of 'Police Audit Manager' to 'Financial Audit Manager';
- Page 7 – remove the following sentence 'The Operating Model East/West Deep Dive has been arranged as a result of the limited assurance rating received from the audits'.
- Page 7 – under 'Holding to Account in the Digital Era' amend the date from 2016/17 to 2017/18; and
- Page 8 – review and amend the first sentence underneath the

IO

'Conclusion' heading.

Action

We reviewed the information set out in Appendix 2, 'Joint Audit Committee Evidence of Compliance with Terms of Reference'. We noted that this provided an informative assessment of how the Committee had met the requirements of its ToR during 2016/17. We requested that where 'Not applicable' was used that it was amended to read 'Not applicable during this financial year'.

IO

It was agreed at 1.55pm that a 5 minute comfort break would take place followed by a working lunch in order to continue with the agenda.

Mr M Warrender, Ms L Virgo and Mr D Burrige left the meeting at 1.55pm

We reviewed Appendix 3, 'Self-Assessment of Good Practice', which provided an analysis of Members' responses to the Self-Assessment exercise. We noted that if agreed the areas suggested in this document would be transferred to the main action plan for follow up at future meetings. The IO also suggested that members included any other areas resulting from the Self-Assessment exercise at appendix 3.1 they felt had been omitted.

We noted that a draft Action Plan had been created as a result of the analysis. We discussed each of the points stated along with the suggested resolution as applicable.

We discussed in detail the possible introduction of a Board Assurance Framework. Internal audit informed us that both South Wales and Dyfed Powys had implemented one; the risks for each organisation were now linked to the Police and Crime Plan objectives and an explanation contained as to how these risks were mitigated. The CFO stated he would contact his colleagues in the respective force areas to try and understand how they had implemented the documents further to determine if this was something we would consider introducing in Gwent.

CFO

JAC DEVELOPMENT DAY ACTION PLAN

• DISCUSS KEY AREAS AND LEAD MEMBER APPOINTMENTS

22. We received the development day action plan along with a document containing the key areas covered by the JAC over the course of the previous 12 months.

We requested clarity as to the comment made by South Wales under item number 3 referencing the next scheduled meeting on 5th October and the possibility of an additional meeting prior to this date.

CFO

Internal audit informed us that they had undertaken a piece of work comparing the various internal audit plans and once they had received confirmation from each force area they would share this document with us and it could be included on the development day action plan.

IA

The CFO informed us that he would re-circulate the action plan and

CFO

request that it was completed by each force area.

Action

We agreed that further discussions on the development day action plan and the key areas document for lead member discussions would be postponed until the next meeting in September when all members were present. We requested that these documents were included earlier on the agenda to ensure there was sufficient time for discussions to take place.

IO

EXCLUSION OF THE PRESS AND PUBLIC

23. 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 sections 7.

Ms V Davies and Ms W Wright left the meeting at 2.45pm

JOINT STRATEGIC RISK REGISTER

24. We received and monitored the Joint Strategic Risk Register.

The ACOR advised us that the technical issue the force was experiencing in uploading data to a national computer system would be resolved in the near future.

We queried if the funding formula was still a risk to the organisation. The CFO informed us that the MTFP contained an expected £2 million reduction in funding year on year over 3 years as a result of the uncertainty of the review.

OPCC RISK REGISTER

25. We received and monitored the OPCC Risk Register.

We noted that the Welsh Language risk had been lowered from 'high' to 'medium' as many of the actions had now been implemented and those outstanding were within future deadline dates.

ANY RELEVANT REPORTS FROM OTHER ORGANISATIONS THAT SHOULD BE BROUGHT TO THE ATTENTION OF THE JOINT AUDIT COMMITTEE

26. No reports from other organisations were presented for discussion.

ANY OTHER BUSINESS

27. There was no further business to be reported.

TO IDENTIFY ANY RISKS ARISING FROM THIS MEETING

Action

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

The meeting concluded at 2.50pm.