

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

**JOINT AUDIT COMMITTEE**

7<sup>th</sup> June 2018

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

Together with: Mr D Garwood-Pask – Chief Finance Officer (CFO)  
Mrs S Curley – Chief Executive (CEX)  
Mrs J Regan – Head of Assurance and Compliance (HoAC)  
Mr N Stephens – Assistant Chief Officer, Resources (ACOR)  
Mrs E Ackland – Chief Superintendent, Head of Service Delivery (HoSD)  
Mrs L Virgo – Head of Finance (HoF)  
Ms A Harkin – Wales Audit Office (WAO)  
Ms T Veale – Wales Audit Office  
Ms H Cargill – TIAA (IA)

The meeting commenced at 10:00am.

The Chair welcomed Ms Harkin from the WAO to the meeting and noted that she would be replacing Mr Herniman who had retired from his role. We agreed to write a letter to Mr Herniman thanking him for his service to the Joint Audit Committee (JAC). **Action**  
**HoAC**

**APOLOGIES**

1. Apologies for absence were received from Mr J Sheppard, Mr J Williams – Chief Constable (CC), Mr J Cuthbert – Police and Crime Commissioner (PCC), Ms E Thomas – Deputy Police and Crime Commissioner (DPCC) and Mrs V Davies - TIAA.

**DECLARATIONS OF INTEREST**

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

**MINUTES**

3. The minutes of the meeting held on 8<sup>th</sup> March 2018 were received and confirmed.

The Chair emphasised the importance of reading all papers prior to the meeting to ensure only key points were raised. This would assist in reducing the length of the meetings.

The Chair requested that consideration was given to moving the JAC meeting in December as it coincided with an important appointment that

could not be moved. The HoAC would determine if it was possible to move the meeting and if so would circulate dates to all members.

**Action  
HoAC**

## **ACTIONS**

4. We received and noted the actions from the meeting held on the 8<sup>th</sup> March 2018. The following were highlighted:

### **Action 1, Minutes, Page 5 Internal Audit (TIAA)**

We were informed that the General Data Protection Regulation (GDPR) National Centre for Applied Learning Technologies (NCALT) training package entitled 'Managing Information' was now available and was mandatory for all force officers and staff. The ACOR advised us that completion of this training would be monitored via the Information Assurance Board. Once this had been completed a determination would be made as to what additional training, officers and staff may require. An update would be provided at the next meeting.

**ACOR**

## **EXTERNAL AUDIT UPDATE REPORT**

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

We noted that audit work had been undertaken in order to understand the processes underpinning the financial systems in operation and to test transactions in the new Agresso Business World financial system up to December 2017.

We were advised that the matters outstanding from the WAO site visit in March 2018 were now mostly addressed; there was one control account reconciliation which was still outstanding. The CC's accounts had been received on 6<sup>th</sup> June 2018 with the PCC and Group accounts expected imminently.

We were introduced to Ms Harkin who would be replacing Mr Herniman as Engagement Lead to the Gwent JAC. We also noted that Mr Burrige, who was part of the audit team for Gwent, was moving to other audit assignments and would be replaced by Ms K Watts. Mr Burrige would remain, however, as part of the audit team for the start of the 2017/18 final accounts audit.

## **INTERNAL AUDIT – TIAA**

6. We received the following reports from IA:

### **a) Update Report 2017/18**

The following audits have been finalised since the last meeting and concluded the work for 2017/18:

- Collaborative Project – Joint Legal Services;
- Finance and Resource System Implementation;

- Collaborative Project – Joint Scientific Investigations Unit; and
- Year End Follow Up.

**Action**

We were advised there had been one amendment to the agreed audit plan for 2017/18 with the request for an audit to be undertaken in relation to Stop and Search.

The ACOR thanked IA for the completion of the audit plan and thanked all those who had been involved in the audits.

### **b) Annual Report 2017/18**

The Head of Internal Audit's Annual Opinion was highlighted, "...the Police and Crime Commissioner for Gwent and Chief Constable Gwent Police has reasonable and effective risk management, control and governance processes in place".

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

We were pleased with the overall assurance rating provided by the Head of Internal Audit for 2017/18 and were also assured that there was evidence to support achievement of Value for Money (VfM) with regards to economy, efficiency and effectiveness of the systems reviewed.

We noted that an additional three days above the agreed audit plan were used in order to undertake the Stop and Search compliance review.

We queried what the aim of the audit plan was. IA informed us that the audit plan had regard to risks and recognised that key financial systems and other areas of wider business risk needed to be reviewed on a cyclical basis to provide assurance with regard to internal controls and systems for governance. 'Reasonable' ratings indicated that the area audited was performing well but there was room for improvement. If all audits were receiving 'substantial' ratings then the audit plan was not targeted at the right areas of the organisation. The ACOR reminded us that the audit plan was linked to the risk register, with areas of concern routinely incorporated into the plan.

**We agreed to take item 21a 'Update on Circulated Freedom Of Information/Breach Report' as it linked to the update being provided by IA. The meeting was moved into the closed section for the duration of this item.**

### **Item 21a Update on Circulated Freedom of Information/Breach Report**

We were informed that an audit had been requested by Gwent Police to review the decision made not to inform the Information Commissioner of a system vulnerability between the Connect Gwent and Gwent Police servers that could have resulted in a potential data breach. The potential

data breach had been identified by the press after a Freedom of Information (FOI) request. IA informed us that no priority one recommendations had been made as a result of the audit although there were a number of priority two recommendations that needed to be addressed. We noted that there had been staff movements in relation to FOI which had resulted in there not being a designated FOI manager in place and staff not having the relevant training. Recently, responsibility for FOI had moved from the Analysis and Research team to Data Management and training had now been provided to two members of staff, with an additional member of staff due to be trained once the departmental review of Data Management had been completed. The Records Manager had interim responsibility for FOI in the absence of the designated manager as a result of long term sickness. We noted all but one of the recommendations would be completed by October 2018 with the remaining recommendation completed by January 2019.

IA informed us that a data breach had not occurred but that a security incident had. The force was currently undertaking work to ensure that there were no weaknesses with other websites.

We noted that the force Communications and Engagement Manager now had access to all FOI requests and could prepare for any potential news stories.

We queried what procedures were in place to mitigate against staff members on long term sick. The ACOR advised us that the movement of FOI to the Data Management department had resulted in resilience being built into the structure as part of the departmental review. The removal of dedicated staff to work on FOI between 2015 and 2017 resulted in savings being made but had produced instability and a lack of knowledge within the organisation of which the outcome was being felt now. The ACOR stated that the force was informing all requesters of any delay in responding that would result in the force missing the 20 working day response requirement; 10% of responses missed this legal target in April and May. The ACOR assured us that the right structure was now in place for this department and also across the force to manage long term absence. There would always be a risk in relation to resilience for long term sickness but it was the responsibility of managers to identify and escalate these potential risks in order for them to be mitigated and potentially included for monitoring on the risk register.

We stated that it was important for the force to be mindful that a data breach could be as a result of an unhappy officer or staff member. The ACOR advised us that all officers and staff members were vetted which mitigated the risk to a certain degree but acknowledged that this could potentially happen in the future.

**We agreed to reconvene the meeting in the public domain.**

**c) Update Report 2018/19**

We were informed that the FOI/Breach reporting audit had been finalised

since the production of this report and had been undertaken in addition to the agreed audit plan. Work had commenced in relation to 'Vetting' and in relation to the first visit for 'Contract Management'. The CFO highlighted the 'Governance Assurance Framework' audit which would cover the outstanding action in relation to the development of the Board Assurance Framework from a previous meeting.

**Action**

We queried if there was an opportunity to include a review on sickness absence and welfare management, especially of frontline staff, within the HR Management Training and Development audit or whether an additional audit could be added to the plan. The HoSD informed us that it was an area of improvement for the force from Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) and that the Head of People Services was aware of this. The ACOR and HoSD would work together to look at the agreed audit scope in order to determine how to progress this suggestion.

**ACOR/  
HoSD**

**Mr M Lewis, Chief Operating Officer of the Shared Resource Service joined the meeting at 10.40am.**

We queried if the Corporate Communications audit would cover both internal and external areas. The HoSD informed us that the audit scope was still to be agreed but advised us it would consider how the force could improve its engagement and how the use of emerging technologies could assist the public when engaging with the force.

We noted the briefings on developments in governance, risk and control and queried if these areas were being progressed. We were informed that these issues had been identified as part of the force environmental scan that was completed and would be dealt with by the force meeting structure. We requested that an update was provided to evidence how the force was progressing with these areas at every meeting.

**ACOR**

**INTERNAL AUDIT (TORFAEN COUNTY BOROUGH COUNCIL)**

7. We received the following reports from Torfaen County Borough Council (TCBC) in relation to the internal audit work undertaken on the Shared Resource Service (SRS):

**a) Annual Report 2017/18**

The ACOR introduced us to the Chief Operating Officer (COO) for the SRS who was in attendance at the meeting to provide insight into how the SRS worked and how the organisation was dealing with the audit plan. We were reminded that the SRS provided IT services to a number of other local authority partners as well as to Gwent Police. This had resulted in the SRS being audited by each partner, often duplicating work. As a result it had been agreed that one audit team would undertake the work on behalf of all partners; this audit team was provided by TCBC as they had the capacity and the knowledge to undertake the auditing requirements.

The ACOR highlighted that the overall assurance rating from TCBC was 'Major improvement required'. This was as a result of a number of audits not being completed as agreed in the annual audit plan. This had resulted in a meeting between all partners to ensure the issues experienced over the previous 12 months did not occur again and to ensure there was enough resource in place to complete the 2018/19 audit plan and finalise those outstanding audits from the 2017/18 audit plan. The ACOR stated that a new audit plan was being developed and would be presented to the JAC for approval once complete.

**Action**

**ACOR**

The COO informed us that having one audit plan was useful for the SRS but advised us that 165 days of audit were still undertaken across the SRS each year to cover all the requirements of the partner organisations. We noted that resources for implementing audit recommendations would be taken from the current staffing establishment to ensure there was sufficient time dedicated to their completion. A delivery group had been established for each organisation to ensure that any actions arising as a result of the audits were progressed. The SRS no longer allowed partner organisations to change when certain audit work would be completed, 60% of the audit plan was now fixed and based on work the SRS needed to undertake, with partner organisations prioritising the remaining 40%. This would provide assurance to the Audit Committee's in each partner organisation that recommendations were being implemented as appropriate.

### **Mrs P Kelly, Deputy Chief Constable, joined the meeting at 11.00am**

We noted that audit recommendations were discussed at the SRS Finance and Governance Board. Partners were informed of those recommendations that could be resolved quickly, with any that were more difficult or costly explained and a decision taken by the partner organisation as to how they would progress with the recommendation.

We were informed that there were three key staff members within the SRS on long term sick who were dealing with the progression of outstanding audit recommendations, which had contributed to the delay in their resolution. A review of resources would be undertaken in this area. The COO also advised that a new service level agreement had been agreed between the SRS and all partner organisations setting out expectations.

We queried the number of staff currently working within the SRS and were informed that in total there were 223, with 43 of those from Gwent. We stated that the number of audit days the SRS dealt with seemed disproportionate and suggested that this may need to be reviewed by all partners. The COO stated that it if not deemed to be disproportionate then the resources allowed for the audits should be reviewed due to its importance.

The ACOR suggested that the SRS audit plan should be focussed around the partner organisations and the SRS risk register; TCBC currently had a rolling programme of audits they undertook over a three

year period. The ACOR advised us that he would continue to provide an update on the SRS audit work to the JAC.

**Action  
ACOR**

We noted that nine audits had been planned for the 2018/19 financial year, of which two had been started.

We were advised that the SRS had not focussed on collecting management responses to audit recommendations and ensuring they were fed back auditors. This should be resolved by allowing 10% of each partner's time to be dedicated solely to audit work. We noted that there were now also representatives from the TCBC audit team attending the SRS Finance and Governance Board.

We queried what would happen if a major incident was to occur in one area and how this would affect others. The COO advised that a decision would need to be taken and agreed by all partners as to which systems were the most important and were to be restored first.

The ACOR assured us that the relevant focus on audit was now being given by partner organisations at the Gwent Section 151 Officers meeting. They would ensure adequate resource was provided to the SRS to allow audits to be completed and recommendations implemented. The annual audit plan would also be reviewed to ensure all planned audits were relevant.

#### **b) Detailed Audit Reports**

We noted the circulated detailed audit reports provided by TCBC in relation to the SRS and the assurance ratings they had received:

- Back Office (unsatisfactory assurance)

We noted the discussion already had taken place in relation to the issues faced by the SRS and the reasons that recommendations had not been implemented. We were satisfied that the issue had been highlighted and was being progressed by all partner organisations.

**We agreed to take Item 17 'Disaster Recovery Update' as the next item on the agenda whilst the COO for the SRS was in attendance.**

#### **DISASTER RECOVERY UPDATE**

8. We received an update from the ACOR on the implementation of the disaster recovery system.

We noted the detailed timeline that had been provided for the transfer of all data to the new server.

The COO advised us that in basic terms Gwent had two boxes that held all their data. One box needed to remain within the SRS and the other moved to the disaster recovery site. In order for the move to the disaster recovery site to be undertaken, work needed to be completed to allow

the SRS access. We were informed that an upgrade to the older box needed to be undertaken prior to its move, it was hoped that this would be completed by the end of August 2018. We were assured that if work to allow access to the disaster recovery site was delayed, then there were interim solutions available for the location of the backup box to be housed until the disaster recovery site was available.

**Action**

We queried how often a copy was made of the systems. The COO stated that a full back up was undertaken every 24hours overnight with 'snapshots' sent to the disaster recovery server every 30 minutes.

We queried if there was a risk to the force from public perception of the audit recommendation taking such a long time to implement. The ACOR advised us that there was a narrative ready if a query was ever received.

The ACOR reminded us that all outstanding SRS audit recommendations were included on the Outstanding Audit Recommendations report that was provided to the JAC at every meeting.

We requested that an update was provided in relation to all outstanding disaster recovery actions at the September meeting and thanked the COO for his attendance at the meeting.

**ACOR**

**Mr M Lewis left the meeting at 11.40am**

**We agreed to take Item 16 'Oral Update on Force Management Statement' next due to constraints on the time of the HoSD.**

### **ORAL UPDATE ON FORCE MANAGEMENT STATEMENT**

9. We received an update from the HoSD on progress with the Force Management Statement (FMS).

We were advised that the FMS had now been completed and had received final approval from Chief Officers; the document would now be sent to HMICFRS in time for their 14<sup>th</sup> June 2018 deadline.

The production of the FMS had highlighted the future challenges the organisation faced and work was being progressed to determine how these could be mitigated. The FMS process had been a positive opportunity for the force as it had provided a good, in-depth understanding of the organisation. We were informed that Gwent would be one of the last forces to have an inspection on the FMS and as such a second FMS would likely have been completed by this time.

The DCC stated that the FMS assisted forces in understanding areas for improvement – the process was the equivalent of a self-assessment for the force. If the FMS was utilised properly, it would provide the force with an understanding of its demands and resources over the medium term. This would enable a robust approach to be taken in ensuring the service provided to the public was appropriate.



We queried if there was a possibility of reading the FMS as this may provide a greater understanding of the work ongoing in this area and assist in discharging the JAC's responsibility within their Terms of reference (ToR) of being satisfied in relation to the arrangements for delivery of VfM.

**Action**

The ACOR advised us that the FMS was not a public document but agreed it may be useful for the JAC to view in their role, especially if the document could be considered alongside the VfM Profiles. We stated that areas with outcomes that contained an element of reputational risk (such as the high levels of crime but with low prosecution rates) could be linked to the VfM element of the JAC ToR. We suggested that the FMS may provide a level of reassurance in relation to VfM, especially as it could be linked to the budget setting process. We were aware that in the future the funding for the force was likely to be provided equally from government funding and the police precept element of the council tax; issues such as high levels of crime but low prosecution rates could pose a reputational risk to the force and as such the public could become reluctant to accept the increase in precept levy. We noted that Chief Officers would determine how best to use the information contained within the FMS over the coming months. It was agreed that the ACOR and HoSD would consider how this information could be shared with the JAC. The HoSD informed us that the CC and DCC were currently discussing what elements of the FMS can be published in future due to the sensitivity of the information it contained.

**ACOR/  
HoSD**

**The DCC left the meeting at 11.50am**

### **PRESENTATION ON THE STATEMENT OF ACCOUNTS**

- **INCLUDING THE DRAFT JOINT ANNUAL GOVERNANCE STATEMENT**

10. We received a presentation on the Statement of Accounts from the HoF.

The ACOR informed us that they had been unable to complete a full set of accounts by this meeting. He assured us that no statutory deadlines had been missed. It was still the intention to have finalised and signed the accounts by the 31<sup>st</sup> July 2018.

We were advised that both the PCC and CC accounts would be finalised in draft for review by the 8<sup>th</sup> June 2018 and would be sent to the WAO week commencing 11<sup>th</sup> June 2018 to allow the audit of the accounts to begin.

We were advised that no concerns had been raised in relation to the debtors position by customers. We noted that approximately £2 million of creditor payments had not yet reached their due date which meant over £5 million was now overdue. We were advised that there had been significant issues with the scheme of delegation, these had been resolved and the system was now working more smoothly. We noted that there was over £500,000 of debt where invoices were over £10,000 and over 90 days old. We were informed that approximately £350,000

of this amount was currently on hold. We queried if there had been an improvement in the creditors position overall. The HoF stated that the backlog was being addressed but not as quickly as had been hoped. Work was ongoing to chase managers for approval of invoices to help address this issue.

**Action**

The CFO advised us that he had written to 14 key suppliers apologising and explaining the reasons for the delay in payment. One response had been received thanking the CFO for taking the time to explain the situation.

We noted that the finance department was actively chasing all duplicate payments made in order to ensure the money was returned.

The CFO reminded us that this was the final year of the trial run in relation to the early closure of the accounts and hoped that the investment in the 'Big Red Button' technology would resolve some of the issues that had been experienced. As soon as the accounts were finalised, copies would be emailed to members.

**CFO**

#### **The HoSD left the meeting at 12.25pm**

Assurance was provided by both the HoF and the WAO that the accounts should be finalised in time for the meeting on the 31<sup>st</sup> July 2018 although we noted that this was the final year the documents could still be presented to the September meeting and approved by the 30<sup>th</sup> September 2018.

We queried if the level of delegations for approval of invoices were provided to the JAC. The CFO advised us that there were high level delegations contained in the Manual of Corporate Governance but that the internal low levels of delegations were not presented to the JAC. The ACOR stated that the delegation of budgets still need to be determined as many were currently held centrally.

#### **Ms H Cargill left the meeting at 12.30pm**

The WAO requested that the current draft versions of the accounts were provided to them prior to review by the CFO and ACOR in order for them to start their work as soon as possible. Once the final review had taken place, updated copies could be circulated with the changes highlighted. This would help with ensuring the deadline of the 31<sup>st</sup> July 2018 was met.

**HoF**

#### **Ms T Veale left the meeting at 12.35pm**

##### **Draft Annual Governance Statement**

##### **Page 14, Significant Governance Issues**

At the March meeting we discussed the significant governance issues and suggested that they may, instead, be matters of future concern and had asked the CFO to review the wording and consider consolidating

the areas mentioned within this section. The CFO advised us that he had incorporated the additional wording (in bold) into the following sentence:

**Action**

“The following have been identified by the Commissioner and Chief Constable as **future challenges which may have associated** significant governance issues that will need to be managed through 2018/19”

He also stated that he had decided to include these potential future issues to ensure the PCC and CC were being as transparent as possible with the public. The CFO had, however, incorporated all other comments provided by the JAC.

We suggested that the paragraph below on page 8 was amended to state that the PCC and CC were either present or represented at all JAC meetings:

**CFO**

“The Commissioner and Chief Constable are both represented at all meetings of the Joint Audit Committee”.

Page 11, HMICFRS Inspection Work During 2017/18 – we requested a sentence was added to state that all issues identified as a result of the inspections were taken forward by the force as actions.

**CFO**

We noted that the staff survey would take place again in 2018/19 and queried if an additional question could be added to determine the awareness officers and staff had in relation to the role of the JAC. We were informed that the questions were set nationally and that we would be unable to include an additional question but that we could consider progressing this in addition to the staff survey.

**ACOR**

## **KEY PERFORMANCE INDICATORS**

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

The ACOR informed us that at the recommendation of the JAC, the force was now in the process of implementing a ‘No Purchase Order No Pay’ policy, this would ensure that all invoices were allocated a Purchase Order number and would result in a reduction in the number of days taken to pay creditors.

We requested that an update on the areas of creditors and debtors was provided to the September meeting of this Committee.

**ACOR**

We noted that there was no write off of debt to be considered by the JAC.

## **OUTSTANDING AUDIT INSPECTION RECOMMEDATIONS**

**Action**

12. 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 the first four outstanding recommendations he was requesting an extension on related to disaster recovery. He stated he would continue to keep the JAC up-to-date with progress in this area at each meeting.

### **Page 2, Debtors and Creditors**

We queried if the extension dates of the 30<sup>th</sup> June 2018 and 31<sup>st</sup> July 2018 were realistic. The ACOR advised us that these recommendations were in relation to the completion of procedures and would be finalised by the stated dates.

We queried if a project management approach was taken when devising completion dates. The ACOR stated that this type of approach was used for large projects but that it was the responsibility of the department head to provide a realistic date for completion. The ACOR would review the large projects currently being undertaken to ensure they were adequately resourced. We queried if there were enough staff members with project management experience in the force to run these projects and to minimise slippage. The ACOR stated that there were project managers available in force although there was a lack of skilled staff in this area. We queried if there were plans in place to resolve the lack of skilled project managers within the force. The ACOR stated that this was an area that had been raised within the FMS and would be considered further.

**ACOR**

### **Ms A Harkin left the meeting at 1pm**

We noted that the original due date for completion of the Debtors and Creditors recommendations had been March 2018 and suggested that due to year end it would have been more suitable for a later completion date to have been advised due to the focus the finance team would be spending on year end. We agreed that there needed to be a balance on the resources available and the justification for completing the recommendation by a certain date. The HoF advised us that this was a consideration and assured us that it was the intention to complete the recommendations by the original dates but that on occasion unforeseen circumstance can alter the completion date.

We agreed to endorse the revised completion dates as requested in the report.

### **The HoF left the meeting at 1.05pm**

**JOINT AUDIT COMMITTEE DRAFT ANNUAL REPORT AND SELF-ASSESSMENT FINDINGS 2017/18**

Action

13. We received the JAC Draft Annual Report for our consideration and comment.

**Appendix 1, Annual Report, Page 3 Members Attendance at Meetings Table**

We requested a footnote was added to confirm that Ms Turner, although unable to attend one meeting, had provided her comments for consideration.

HoAC

**Appendix 3.2, Self-Assessment Action Plan 2018/19, Page 6, Counter Fraud and Corruption**

We queried if we were receiving sufficient assurance in relation to the areas of counter fraud and corruption. We were reminded that the policies were only reviewed by the JAC on their renewal or if any changes were made to them. The CFO also advised us that there were also references to fraud or corruption activity within the internal audit reports that had been brought to their attention. We discussed the work that the National Health Service (NHS) undertook in relation to counter fraud and queried if the force had a similar programme or if an annual report was provided in this area. The ACOR informed us that the force undertook the National Fraud Initiative (NFI) work and advised us that whereas the NHS programme looked internally as well as at a number of external contractors, the force policy focussed on internal matters. He also assured us that all officers, staff members and contractors were vetted which helped to limit the risk the organisation was exposed to. The HoAC would circulate both the Gwent Police and OPCC Anti-Fraud and Corruption policies for information.

HoAC

We noted that the incorrect covering report had been included on the agenda and requested that the correct version was circulated for our information.

HoAC

We noted that the final version of the report would be presented at the July meeting alongside the Statement of Accounts.

We agreed to approve the Self-Assessment Action Plan for 2018/19 and requested that it was circulated to all members.

HoAC

**MEDIUM TERM FINANCIAL PROJECTIONS**

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

The CFO informed us that minimal changes had been made to the MTFP since the budget setting process. We noted that the savings plan had been developed based on the areas where the force was deemed to be an outlier within the VfM Profiles; work was ongoing to develop this area further. The CFO advised us that the gross budget deficit would be £10.6 million by 2022/23 although there were cost saving plans in place

to meet the £10.6 million deficit and balance the budget. We noted that £6 million of the deficit related to the impact of the funding formula review although this had currently been postponed due to Brexit and could therefore result in the gross budget deficit reducing to £4 million which would result in the force not needing to implement the savings plans which would impact on staff resources. A comprehensive report would be provided at the September meeting of the JAC. We noted that relating the VfM Profiles to the savings plans was another method to show that the JAC were meeting the VfM element of the ToR.

We queried if any further information had been received in relation to the recent positive statement made on police funding by the new Home Secretary. The CFO informed us that he was not yet aware as to how this would impact the MTFP but would update us once further information had been received.

### **TREASURY MANAGEMENT STRATEGY YEAR END REPORT**

14. We received and noted the end of year report on the Treasury Management Strategy (TMS) 2017/18 and the actual Prudential Indicators.

The CFO informed us that the only outstanding debt the PCC currently had was in relation to the Private Finance Initiative (PFI) contract, all other debt had been repaid during 2016/17. We were advised that a proposal was being developed in order for the PFI contract debt to be paid in full during 2018/19.

**We agreed to take Item 13 ‘OPCC Business Interests and Gifts and Hospitality Report’, Item 14 ‘Gwent Police Gifts and Hospitality Report’ and Item 15 ‘Gwent Police Business Interests Report’ as one item.**

### **OPCC DECLARATIONS OF INTEREST AND GIFTS AND HOSPITALITY REPORT, GWENT POLICE GIFTS AND HOSPITALITY AND BUSINESS INTERESTS REPORT**

17. We received and noted the Gifts and Hospitality and Business Interests reports from both the OPCC and Gwent Police.

We noted that the declarations of gifts, hospitality and business interests also supported the Anti-Fraud and Corruption policy and that monitoring compliance with the policies was an area within our terms of reference.

We stated that the reports from both the OPCC and the force, did not state who was responsible for compliance and if the organisations both abided by with their respective policies. We agreed that the content of the reports would be re-considered and would ensure this was included for future meetings. Both organisations confirmed their compliance with their policies for 2017/18.

We agreed we did not need to review the registers where they were published on the internet and a web link to view them would suffice.

## **EXCLUSION OF THE PRESS AND PUBLIC**

**Action**

18. 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.

## **JOINT STRATEGIC RISK REGISTER**

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

The ACOR advised us that the new risk included on the register in relation to Police National Database User Accreditation and Training had been mitigated against with 60 additional officers and staff members now trained. This risk had been recommended for removal from the register.

We noted that a number of risks had not been updated since the previous JAC meeting held in March. The ACOR advised us that the department responsible for risk had been focussed on the finalisation of the FMS and would now ensure that the register was updated.

In relation to the Financial Resources Long Term Service Provision risk we noted that the public may react negatively to high levels of precept in the future if force performance does not reflect the investment being made. We requested that wording reflecting the reputational risk was also included. We also agreed it would be useful to understand some of the contributing causes to these risks such as issues within other organisations and how they linked to VfM; it was important to ensure we had oversight of these areas from the beginning to the end.

**ACOR**

**ACOR**

We noted that a request had been made to raise the risk rating associated with evidential storage. The ACOR advised us that there was a back log of evidence that needed to be assessed to determine whether it could be disposed of.

We noted that the OPCC had requested that the risk associated with the new headquarters build was increased but a decision had been made to maintain at its current rating. The ACOR advised us that this was due to there being a large collaborative team in place to provide specialist support to the project manager. We were informed that the build was now at the planning permission stage with a final decision expected in June. We were advised that the Royal Institute of British Architects (RIBA) Stage 3 report was also expected by the end of June which would allow PCC and CC approval to be obtained for the procurement process to begin in relation to the packages for the build. It was expected that the groundwork would commence in Autumn 2018.

We queried the extent that the future governance issues identified in the AGS were reflected within the risk register. We suggested that the CFO may wish to review both documents to ensure both documents reflected each other, where possible, was undertaken.

**CFO**

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

Action

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

**ANY OTHER BUSINESS**

21. The following was discussed:

**b) Update on all Wales Training Day Queries**

We agreed that feedback on the queries raised as a result of the all Wales training day would be collated and circulated to members.

HoAC

**c) Oral Update on OPCC Support to the Joint Audit Committee**

We were advised that Mrs Regan had been successful in obtaining a new job as the Head of Assurance and Compliance within the OPCC. Recruitment was being commenced to fill her previous role and as such, once this was appointed to, she would no longer provide administrative support to the JAC, although she would still be in attendance at meetings. We congratulated her on her appointment and wished her well for the future.

**TO IDENTIFY ANY RISKS ARISING FROM THIS MEETING**

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

**The meeting concluded at 1.50pm.**