**OFFICE OF THE POLICE AND CRIME COMMISSIONER**

**OFFICE OF THE CHIEF CONSTABLE**

**JOINT AUDIT COMMITTEE**

26th November 2024

Present: D Turner (Chair) – Business Assurance Framework

and Sustainability Lead (DT)

G Watts (Vice Chair) – Finance and External Audit Lead (GW)

 J Wademan – ICT and Change/Project Management Lead (JW)

A Johns – Internal Audit, Governance and Estate Lead (AJ)

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

D Garwood-Pask – Chief Finance Officer (OPCC) – (CFO (OPCC))

 S Curley – Chief Executive (CEx)

N McLain – Temporary Assistant Chief Constable - Organisation – (T/ACC - Org)

M Coe – Chief Finance Officer (CC) – (CFO (CC))

H Ping-Boey, Head of Finance (HoF)

Karen Thomas - Change Management Manager (CMM)

A Williams – Evidential Property Lead - (EPL)

D Williams – Audit Wales (AW)

F Roe – (TIAA)

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**
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| Apologies for absence were received from J Mudd, Police and Crime Commissioner, M Hobrough, Temporary Chief Constable, V Townsend, Temporary Assistant Chief Constable – Operational, C Bates, Audit Wales, J Regan, Head of Assurance and Compliance, R Harries, Audit Wales, G Gray, His Majesty’s Inspectorate of Constabulary and Fire and Rescue Services Force Liaison Lead, Mike Corcoran, Internal Audit, Torfaen County Borough Council, A Blackmore, JAC Member, N Brain, Temporary Deputy Chief Constable, L Brustad, Ch/Supt. First Point of Contact & Specialist Operations and S Gourlay, TIAA.  |  |
| 1. **DECLARATIONS OF INTEREST**
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| There were no advance declarations made in relation to the business to be transacted. |  |
| 1. **MINUTES**
 | **Action** |
| The Committee received and noted the minutes and actions from the meeting held on 19th September 2024 and actions outstanding from earlier meetings.It was agreed that further narrative was required to clarify when the additional scrutiny had commenced in relation to vehicle accident claims, paragraph 4, page 5.  | **CFO - OPCC/****GO** |
| 1. **ACTIONS**
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| The Committee received and noted the actions from the meeting held on 19th September 2024 and actions outstanding from earlier meetings.**Action 4, 19th September 2024, External Audit**It was agreed this action could be closed as the agenda had been agreed. **Action 8, 19th September 2024, Actions.** It was agreed that a meeting would take place in the New Year to discuss the Board Assurance Framework. **Action 11, 19th September 2024, Any Other Business.**It was agreed the action relating to deciding Deep Dives for March could be closed as it formed part of the agenda. **Action 11, 19th September 2024, Any Other Business.**It was agreed the action relating to the new OPCC governance arrangements and OPCC Scrutiny Assurance Forum would remain open until a further update had been received.**Action 12, 19th September 2024, To Identify Any Risks, Training Requirements or Ethical Matters Arising from this meeting.** It was agreed that this action could be closed, as the request for a list of Ethical Dilemmas could be added to the Forward Action planner as a standard item. **Action 1, 12th June 2024, Actions.**The CFO (CC) advised the Committee they were in the process of identifying a Finance Lead to liaise with the South Wales Police OPCC Finance Lead. It was expected that this action would be completed early in the New Year. **Action 2, 12th June 2024, Actions, Joint Audit Committee Terms of Reference.**The CFO (CC) agreed to obtain an update on the action regarding the role of the JAC being promoted by the Force. It was agreed that this action could be transferred to the JAC Self-Assessment Action Plan for JAC to monitor. **Action 4, 12th June 2024, Internal Audit (TIAA)** It was agreed that this action could be closed as a meeting had taken place regarding the Greener Gwent forum, This was discussed at the previous JAC meeting. **Action 5, 12th June 2024, External Audit**The CFO (CC) agreed to provide a link on the changes to the Welsh Government Regulations for circulation to JAC members.  | **CFO -CC****GO****Action** |
| 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.
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| 1. **UPDATE ON EVIDENTIAL STORAGE ACTION PLAN**
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| The Committee received the Evidential Storage Action Plan Update.The volume of property held on the old property system had reduced significantly since January 2024 and progress was ongoing to reduce the volume further. The number of items with expired review dates had reduced from 27% to 19% in October 2024. The remaining outstanding items with expired review dates was causing a slight delay, as the items required review prior to them being recording on the new Niche property system. Any new items were being recorded on the system as planned.The volume of property awaiting return to owners had decreased as the backlog was being worked through.Access to Performance Reports was expected to be available by the New Year, identifying what evidential items were held on the system and what could be disposed of. From April 2024 to date monies seized under the Police and Crime Act 2002 (POCA) had resulted in £393,838.90 which had been transferred to the Home Office (HO) and £51,601.05 returned to the owners. JW referred to the monies seized, some of which had been retained for long periods and asked if checks were conducted to ensure the owners still resided at the same address prior to returning the monies. The EPL advised that the owners were contacted to confirm their address prior to release of the monies. DT asked if plans for the main storage area were to come to fruition given the delays. The EPL advised there were ongoing discussions about the main storage area in terms of the level of cost required to ensure it was secure enough or if other premises should be considered. The CFO (OPCC) assured the Committee the Evidential Storage risk formed part of the Estate Strategy. The current action plan was in the process of being updated. Supt. J Davies to circulate to JAC members upon completion.  | **Action****HoCJD** |
| 1. **TO DISCUSS NEW RISKS AND CHANGES TO RISK RATINGS**
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| The Committee received the Risk Register and a short presentation.No new risks had been added to the risk register following the last meeting. The CID PIP2/Detective Constable (DC) recruitment and retention issue was expected to reduce by April 2025. Force focus was on increasing skill sets of the DCs as opposed to recruiting where plans were already in place.The Strategic Workforce Planning risk and Global Data Store issues were expected to reduce in January 2025 from high to medium following a review.The Financial Outlook 2024 risk was expected to reduce in March 2025. However, due to changes in the budget, the risk narrative would need updating for 2025.An update was expected in December 2024 regarding the Control Room Systems risk.Following feedback from His Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) on Crime Data Integrity (CDI), it was expected that the medium risk would be removed from the register by June 2025 upon receipt of formal correspondence from their office.Children Remanded in Custody was to remain as a medium risk and expected to reduce in December 2024 following positive feedback from the HMICFRS inspection. The Police Driver Training Licensing risk would also remain as medium and had been extended from October to December 2024 due to staffing changes.The Welsh Language Standards and Public and Personal Safety Training risks were rated as low risk and were expected to be removed from the register by the following meeting.The McCloud Ruling risk was to remain low as work was still ongoing in this area but was expected to be removed by March 2025.The Disaster Recovery delivery was expected to reduce by June 2025.Accuracy of Establishment Demand was to be removed from the register and the Disclosure (Freedom of Information and Subject Access Request risk had been reduced to low. JW suggested the reaction to the Culture risk appeared to be more reactive than proactive. It was noted that it had been a long time since they had received a briefing on Culture. The Committee agreed Culture within Gwent Police should be the Risk Deep for March 2025.  | **Action****ACC/Org** |
| **The meeting was adjourned for the ‘Value for Money/Financial Resilience Deep Dive’ and recommenced at 11.38am.** |  |
| 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 not to be exempt from publication under section 7. |  |
| 1. **INTERNAL AUDIT (TIAA)**
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| The Committee received the Update Report.Three final reports had been issued since the previous meeting as indicated on the agenda.A number of planned audits had commenced for 2024/25, good progress was being made and a schedule was in place for the remainder of the audits. Contingency arrangements had been put in place to ensure adequate staffing was available to complete the audits, should there be any absences. TIAA drew our attention to the Briefings on new Developments in Governance, Risk and Control on page 9, particularly the Global Internal Audit Standards (GIAS). The GIAS was due to come into effect January 2025, however, the public sector element of the standards was due in April 2025. TIAA would provide an update on the changes following the outcome of a consultation in relation to the standards.Early indications were that a few tweaks would be required to Governance Arrangements to ensure compliance with the standards by January 2025, including more informal meetings between TIAA, Force, OPCC and the JAC Chair.Another element of the GIAS related to Root Cause Analysis (RCA). The RCA required a lot of work to ensure auditors were able to identify the root cause, including larger audits to enable deeper dives. Two 2024/2025 collaborative audits had recently been cancelled, therefore TIAA and JAC members suggested the 12 spare days should be utilised to bolster existing planned audits which had fewer days allocated to them, to enable a deeper dive. As the cancelled audits had been included in the 2025/26 plan. TIAA hoped to conduct less audits in this plan but on a deeper level. This would require confirmation from Management in Gwent.JW asked why the audits had been cancelled. The CFO (CC) confirmed the ISO Accreditation was linked to forensics which was an ongoing programme or work and was yet to be completed. TIAA and the CFO (CC) agreed to obtain an update on why the Connect Teams Channel audit had been cancelled. GW requested a summary on the changes due to the GIAS be provided to JAC. GW also suggested a representative from the Chartered Institute of Public Finance and Accountancy (CIPFA) provided an update on the changes within the public sector resulting from the GIAS at their next JAC All Wales Training Day. The CFO (OPCC) agreed to contact CIPFA to ensure this request was included into the following JAC Training Day GW welcomed the RCA approach which should further reinforce assurance for JAC members and add value to the audit process.TIAA agreed to arrange a meeting in December with the management team to discuss the 2025/26 audit plan taking into consideration the new RCA approach and capacity required to conduct the audits. TIAA advised they used Data Analytics when possible. Artificial Intelligence (AI) was also utilised for some of their planning and horizon scanning across the sector. TIAA were in the process of developing a government grant funded internal AI database in conjunction with a university to enable a more efficient process to benchmark information. TIAA advised they were hoping to establish a quarterly Audit Committee Chairs’ forum for their clients within the next 3 weeks and would contact DT and AJ in due course to invite them.  | **Action****TIAA/****CFO-CC****TIAA****GO****TIAA** |
| 1. **INTERNAL AUDIT (TORFAEN COUNTY BOROUGH COUNTY COUNCIL)**
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| The CFO (CC) informed the Committee the Finance and Governance Board was to take place on the 3rd December 2024 and therefore the SRS Quarterly Progress Update report would be circulated to JAC following the meeting.  | **CFO-CC** |
| 1. **EXTERNAL AUDIT**
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| The Committee received the External Audit Update Report. AW assured the Committee that good progress had been made with the accounts audit and confirmed they were in the process of finalising any outstanding queries, which should be completed within the following week.AW thanked the Finance Team for accommodating audit requests over the course of the last two months as they were on track for certification of the accounts on 30th January 2025 as planned. AW was anticipating there would be an unqualified audit opinion on the accounts.The CFO (CC) thanked AW for their assistance.JAC members thanked all involved and were assured the new deadline would be met as planned.  | **Action** |
| 1. **OUTSTANDING AUDIT INSPECTION RECOMMENDATIONS**
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| The Committee received the Outstanding Audit Inspection Recommendations report for TIAA. There were no extension requests as there were no high or medium priority 1 recommendations outstanding. However, the number of audit recommendations overall had increased substantially due to there being three audit reports completed in November 2024.Additional recommendations were also expected as a result of the Uniform Stores audit report on the 15th November 2024.As iterated previously, the CFO (CC) informed the Committee the Finance and Governance Board was to take place on the 3rd December 2024 and therefore there SRS Outstanding Audit report would be circulated to JAC following the meeting.  | **CFO-CC** |
| 1. **FINANCIAL PERFORMANCE REPORT QUARTER TWO 2024/2025 - VERBAL UPDATE**
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| The CFO (CC) gave a verbal update on Financial Performance Report Quarter Two 2024/2025 and advised the report would be circulated to JAC members once it had been through the Force governance process. It was anticipated there would be a £2.8m underspend for 2024/2025, although this could reduce given there were some uncertainties remaining in terms of funding assumptions; this would become apparent by Quarter Three in December 2024.  | **CFO-CC** |
| JW left the meeting at 12.11pm. |  |
| 1. **BUDGET SETTING PROCESS - VERBAL**
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| The CFO (CC) gave a verbal update on the Budget Setting Process.The Chief Constable’s (CC) Budget Bid was presented to the Police and Crime Commissioner (PCC) at the Strategy and Performance Board on 25th November 2024. It would be revised following receipt of the provisional settlement from the UK Government prior to presentation to the Police and Crime Panel (PCP) on the 13th December 2024 where the CC would specify operational intentions and recommended budgetary requirements. The PCC would make a final decision in relation to the proposed level of precept for the 31st January 2025 Police and Crime Panel Meeting.The CFO (OPCC) emphasised that funding Gwent’s proportion of the 13,000 additional Police Officers, approximately 130, would be the most significant challenge going forward if the HO were not providing additional funding. Forces were expected to make further efficiency savings and given that the Force had already made over £55m efficiencies since 2010, there were very few areas that could be rationalised.  | **Action** |
| 1. **TREASURY MANAGEMENT STRATEGY**
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| The Committee received the Annual Treasury Management Strategy End of Year Report. Given the volitivity of interest rates, DT asked how prudent the OPCC were going to be in terms of borrowing. The CFO (OPCC) advised the new borrowing profile was indicated in the report from the end of 2025/2026 and 2026/2027. It was apparent that long term borrowing was not feasible at this time due to interest rates being very high at 5.6%. As the Estate Strategy was the key driver of long term borrowing but was yet to be agreed, short term cash flow borrowing was being considered over a two year period. This would mean borrowing cash over the short term; over a matter of months and paid back within a number of months. By December 2026, the Estate Strategy should be in place and interest rates should have fallen to approximately 3%, at which time long term borrowing would be considered. The Minimum Revenue Provision (MRP) Policy had been reviewed and it had been applied appropriately. There was a new financial requirement this financial year in relation to setting aside a MRP for finance lease liabilities. Therefore, this had been incorporated into the Treasury Management Strategy (TMS).As the JAC Treasury Lead had sent their apologies, the CFO (OPCC) agreed to contact them for comment on the TMS.  | **CFO-OPCC** |
| 1. **TREASURY MANAGEMENT STRATEGY SIX MONTH UPDATE**
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| The Committee received the Treasury Management Strategy Six Month Update.Investment activity was consistent with the Strategy, capital borrowing remained prudent and investment income had increased. |  |
| The Committee took a short lunch break. |  |
| 1. **ANNUAL RESERVES STRATEGY**
 | **Action** |
| The Committee received the Annual Reserves Strategy.A revised report was presented at SPB on 25th November 2024 confirming the deficit had changed from £3.4m to £4.6m in 2025/2026 with an expected growth of £8.6m to £10.5m deficit in 2029/2030. As the Medium-Term Financial Plan (MTFP) had been updated in preparation for the CC Budget Bid, there were a few changes to the reserves schedule. The revised deficit of £4.6m 2025/2026 had already been mitigated with £360k of efficiency savings, so the remainder would have to be underwritten by reserves. An Annual Budgetary Imbalance reserve was set aside to assist with balancing the books non-recurrently should this be required on an annual basis. The report indicated the utilisation of the this reserve on a phased approach during 2025/26 and 2026/27.There should be £5.5m of general reserves available in 2029/2030; approximately 3% of Net Revenue Expenditure (NRE). The accrued £5.8m revenue contribution to capital was to be utilised for the new Estate Strategy, prior to any borrowing requirement. There was a £2m commissioning reserve in place for the benefit of Force services or initiatives and the Commissioner’s Police, Crime and Justice Plan.A £5m reserve was earmarked for equipment required prior to and during the transition of the current Airwave system to the new Emergency Services Network (ESN). The reserve was expected to be insufficient due to dual running costs, in addition to the transition cost. Therefore, the funding requirement would be given further consideration during 2030.The were also £2.7m of reserves set aside for other areas for specific workstream and third party funds. The CFO (OPCC) assured the Committee there were no current areas of risk in this financial year. However, as the reserves had been depleted to fulfil the comprehensive capital programme, there would be a borrowing requirement going forward.Given the lack of funding available from the UK Government and the challenges of raising the precept, DT asked at what point in time would a decision be made to advise the public that some services could not be delivered because Forces were not able to afford them. The CFO (OPCC) assured the Committee they were actively lobbying the UK Government. A prime example being two years ago when the CFO (OPCC) wrote to the UK Government regarding the forecast position in terms of the increased level of borrowing, and that the budget would consist of more income from precept than Government Grant in the next 3 to 4 years. Although raising the precept would fill some of the funding gap, there were less options to find efficiencies, as officer numbers had been capped when they were not previously. Officer establishment numbers were currently parallel with those in 2010 without the additional 130 new officers, PCSOs and Specials and there was no additional funding to accommodate those officers. The issue was likely to come to the full attention of the UK Government when a CFO issued a Section 114, confirming they were not in a position to fund policing any longer as they couldn’t balance their budget. It was very much dependent on the provisional settlement received from the UK Government, following submission of spending review requests from all of the public sector departments, including Forces. | **Action** |
| 1. **SPONSORSHIP AND DONATIONS POLICY 2024**
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| The Committee received the Sponsorship and Donations Policy for consideration and comment.The CFO (OPCC) thanked the CMM and her team for revising the policy. The policy was overarched by the Income Generation Strategy which was due to be presented in June 2025.  The following key areas were highlighted from the overarching Strategy:* Ensuring the appropriate the amount was being charged for fees and services;
* Maximising government grants;
* Maximising Sponsorship and donations;
* Exploring Section 106 Local Planning Act opportunities - utilising funding through infrastructure investment.

DT queried if the innovations relating to income generation were discussed with other Forces to ensure they were not following the same approach, thus reducing the benefit.The CFO (OPCC) confirmed a Policing Forum for Income Generation group (POLFIG) had been established to facilitate liaison between Forces to address this issue. PCC’s do not have the General Power of Competence as part of their remit and therefore, they do not have the same level of power in terms of generating income and trading opportunities as Local Authorities. For example, the processing of a Firearms licence cost more for the Force than the application cost the requester. The PCC has been lobbying the UK Government to change this.GW was assured by the policy and that the relevant people were involved where appropriate and although individual officers would not be expected to read this policy, GW asked how the Force ensured the key points of the policy were known within the workforce. The CMM confirmed the Funding and Partnership Lead was in the process of establishing a group consisting of people with knowledge in this area to work with the Safer Communities Department and Neighbourhood Policing to ensure there was awareness of the policy in the key areas. An article had recently been published on the Force Intranet explaining the Funding and Partnership Lead’s role along with the relevant Policies. GW suggested the Funding and Partnership Lead attended JAC in June 2025 to present the Income Generation Strategy. AJ asked what sort areas the policy referred to and the CFO (OPCC) explained it related things such as sponsorship and charity events, conferences and also vehicle sponsorship. | **Action****GO** |
| 1. **JOINT AUDIT COMMITTEE SELF-ASSESSMENT ACTION PLAN**
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| The Committee received the Joint Audit Committee Self-Assessment Action Plan.DT reviewed the JAC Self – Assessment Action Plan and suggested closing many of the actions as they had been addressed as part of the agenda or had been added to the forward planner. This would leave 6 actions on the plan, with the main focus being on collaboration and finance. DT reiterated the importance of JAC members stipulating whether comments made when completing their self-assessments were actions or merely comments, to ensure the action plan only consisted of key action points. JAC members agreed this approach as it would add value and focus on key areas. TIAA referred to the collaborative audits and advised there was a consultation taking place in relation to compiling a Performance Report across the Welsh Forces. The report would consist of performance data relating to audit plan delivery; an overview of collaborative and non-collaborative audit work; and horizon scanning. TIAA welcomed any input on the consultation at this point or following the first iteration. AJ welcomed the proposed report as it would provide the opportunity to have a high level overview of how other JACs were performing and assure JAC their approach was not dissimilar to others.DT suggested a meeting took place with the GO and DT to run through the action plan to make the necessary amendments.  | **Action****DT/GO** |
| 1. **ANY FEEDBACK OF RELEVANCE TO JAC FOR INCLUSION UNDER ‘RELEVANT REPORTS FROM OTHER ORGANISATIONS’**
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| There were no reports for discussion. |  |
| 1. **ANY OTHER BUSINESS**
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| The following update was provided:All Wales JAC Training Day - Information was received on collaboration and there were no issues that JAC weren’t already aware of.The following Deep Dives were agreed:* Estate Strategy – March 2025
* TIAA – Update on Global Internal Audit Standards 2024 Changes, the impact on the Force, JAC members and the public sector in general – June 2025
* Value for Money – Artificial Intelligence deployment to improve productivity, linked to Force Management Statement (Including How Social Media Crimes fit within the FMS) – September 2025.
* GW suggested the CMM provided the proposed ‘AI deployment to improve productivity linked to the Force Management Statement’ Deep Dive content to JAC members prior to the meeting in September 2025, for them to provide comment to ensure it was the appropriate information required.

The following Risk Deep Dive was agreed:* Culture Risk Deep Dive – March 2025 – 10-15 mins
 | **CFO-CC/CFO-OPCC****TIAA****CMM****CMM****ACC-ORG** |
| 1. **TO IDENTIFY ANY RISKS, TRAINING REQUIREMENTS OR ETHICAL MATTERS ARISING FROM THIS MEETING**
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| As referenced above, the changes to the GIAS was identified as a potential risk, a Deep Dive on the matter has been agreed for June 2025. It was also suggested that CIPFA provided an update on the GIAS at the following All Wales JAC Training Day. |  |
| **The meeting concluded at 13.42pm** |  |