

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

JOINT AUDIT COMMITTEE

3rd June 2019

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

Together with: Mr J Cuthbert – Police and Crime Commissioner (PCC)
Mr D Garwood-Pask – Chief Finance Officer (CFO)
Mrs S Curley – Chief Executive (CEX)
Mrs J Regan – Head of Assurance and Compliance (HoAC)
Mrs N Warren – Governance Officer (GO)
Mr J Williams – Chief Constable (CC)
Mr M Budden – Chief Supt. Head of Strategy, Performance and Change (HoSPC)
Mr H Nicholas – Chief Inspector Head of Governance and Performance (HoGP)
Mr N Stephens – Assistant Chief Officer, Resources (ACOR)
Ms H Boey – Senior Account (SA1)
Ms J Glossop – Senior Account (SA2)
Mrs Tracy Veale – Wales Audit Office (WAO)
Ms H Cargill – The Internal Audit Association (TIAA)
Mr M Corcoran – Torfaen County Borough Council Internal Audit (IA)
Mr Peter Williams – Torfaen County Borough Council Internal Audit (IA)

The meeting commenced at 10:00am. The Chair thanked the Chief Constable for his attendance and continued contribution on behalf of the Joint Audit Committee. We welcomed Peter Williams and Michael Corcoran from Torfaen County Borough Council Internal Audit (IA).

APOLOGIES

Action

1. Apologies for absence were received from Ms A Harkin, WAO.

DECLARATIONS OF INTEREST

2. We noted reference had been made to 'Police Mutual' within the presentation of which Mr A Blackmore was an employee.

MINUTES

3. The minutes of the meeting held on 4th March 2019 were received and confirmed.

Page 17, Annual Review of Manual of Corporate Governance – Including JAC Terms of Reference and Annual Review

Internal Audit - the final bullet point could be removed with an amendment made to the bullet point above stating 'Ensure that the performance of all internal audit providers complies with the Public Sector Internal Audit Standards'.

Action

HoAC

Page 21, Joint Strategic Risk Register

We sought assurance that the data quality issues had been resolved in order to ensure the facilitation of accurate business intelligence. We were advised that Her Majesty's Inspectorate of Constabulary and Fire and Rescue Service (HMICFRS) had undertaken a recent review of this area of work and a recommendation had been made to improve data quality. This had resulted in the establishment of a team who were in the process of reviewing how data was being captured and reported in order to improve data quality.

ACTIONS

4. We received and noted the actions from the meeting held on 4th March 2019. The following were highlighted:

Action 3, Internal Audit (TIAA) Update Report

We referred to the 'No Purchase Order', No Payment' report and queried if there was a timeline for the implementation of the process. We were informed there was a review being undertaken within the Estates department to identify the payments that could be made using this method, prior to the development of a planned timeframe to implement the process.

We noted the 'no significant risks identified' rating in relation to the 'No Purchase Order, No Payment' audit recommendation and queried if this should be amended as only 8% of payments were being made using this process. The ACOR agreed to review the risk rating.

ACOR

Outstanding Action 13th September 2018

Action 7, Internal Audit (TIAA) Update Report

We requested an update on the HQ Project. We were advised the force had received contract costings in terms of the specification of HQ and were working to ensure that best value for money could be achieved. A final assurance report would be provided to the PCC in August for consideration of the final cost of construction and decision on options to proceed.

Outstanding Action, 29th June 2017

Action 9, JAC Draft Annual Report

We queried the time taken to finalise the Board Assurance Framework (BAF) audit. We received confirmation that the BAF had received a 'reasonable assurance' audit rating in terms of its infrastructure and a further assessment was required to identify which areas of the BAF could provide the JAC with assurance in relation to areas of risk.

The CFO advised us of the need to incorporate the BAF document within the Annual Governance Statement (AGS) forward action plan and also make reference to the Force Management Statement (FMS).

**CEx/
CFO**

We queried if other public sector organisations, such as the Health sector had pictorial representation to show the process flow of documents through a BAF. The WAO agreed to undertake research to ascertain if other organisations had something of this nature in place in terms of best practice.

Action

WAO

The CFO suggested that reference should also be made to the BAF within the JAC Annual Report.

HoAC

EXTERNAL AUDIT

5. We received the following report from external audit:

a) Update Report

The WAO thanked the finance team for ensuring the draft set of accounts were received by the 31st of May 2019.

We noted that a large amount of transactional testing had been undertaken during the interim audit.

We were advised that the WAO had produced the guidance document, appendix 1, for members of audit committees to assist them in their understanding of the implications of misstatements and to clarify the approach taken by the WAO when amending errors identified during the audit process, in readiness for the signing off of the accounts on the 31st July 2019. We agreed the guidance documents were very helpful.

We queried why all other reconciliations had been completed apart from the sundry creditor control account reconciliation, which had only been completed up until the end of month two. The ACOR advised us that there had been an oversight. This had identified a gap in the key control element of the process and additional testing had been carried out as a result.

We queried if the relevant levels of control were in place at management level to ensure checks were being carried out. The CFO assured us that 80 control account reconciliations had been undertaken within the Finance Department and a decision had been made to take a risk based approach in this area of work, as a number of other control accounts mitigated the risks on the sundry creditor control account.

INTERNAL AUDIT (TIAA)

6. We received the following reports from Internal Audit:

a) Update Report

- Counter Fraud-Payments Health Check
- HR Management – Training and Development
- Appraisal Review of Staying Ahead 8 Theme – Corporate Communications

- Gwent Police Follow Up Report
- Expenses and Additional Payment Audit (amended from Reasonable to Substantial Assurance)

Action

We were informed that the audits had received a 'Reasonable' assurance rating with exception of the Expenses and Additional Payments audit being amended to a 'Substantial' assurance rating and the Counter Fraud-Payments Health Check and HR Management – Training and Development audits which had received a 'Limited' assurance rating.

We were assured that all planned audits had been completed apart from one audit which had been deferred to next year. Those with limited assurance had been incorporated within the TIAA annual report and the issues raised had or were being addressed.

The PCC referred to the end of year key findings and requested clarification on the number of recommendations that had been implemented. We were informed that 29 of the 68 recommendations had been implemented, 31 were in the process of being implemented and 8 had not yet been actioned.

We commended Internal Audit for meeting their performance targets in terms of delivering the audit plan.

We discussed the summary of the recent Client Briefing Notes (CBNs) in the annual report and agreed that the ACOR would review the notes and advise if any were relevant to the JAC.

We queried if the 21 suggestions in relation to operational effectiveness opportunities had been acted on in order to improve effectiveness of the organisation. We were advised that TIAA had not followed them up as they were only suggestions for consideration, which had been identified as best practice in other organisations. The ACOR advised us that management had considered the suggestions and agreed to review the progress made in last 12 months.

ACOR

We noted TIAA had not identified any issues with the Inland Revenue (IR35) checks, as the appropriate processes were in place to ensure the organisation were compliant. However, we were advised the procurement officer responsible for undertaking the checks found the system to be very complex and further guidance was required in order to provide support when undertaking the process.

We queried why the Counter Fraud payments health check audit had received limited assurance when there were no issues with compliance. We were advised this was due to the four priority two recommendations contained in the report.

We queried why a limited number of checks had been undertaken and received confirmation there were no issues with the initial checks and therefore, there was no further requirement to check.

We noted three duplicate invoices had been paid to the wrong supplier and queried if the money had been recovered. We agreed to address the matter outside of the meeting.

**Action
ACOR**

We discussed the HR Management Training and Development audit. TIAA advised us that there had been an issue around training identified when undertaking the sample testing. In some instances, mandated training had not taken place and in others, departmental training had taken place, but it had not been captured on the central training record. In order to provide assurance, a data transfer test was undertaken and there were no issues identified.

We voiced our concerns in relation to the lack of mandatory training taking place and the importance of capturing the data when training had taken place. We were informed that a large amount of the training was online and the reason for not completing the courses was mainly due to time constraints. The ACOR advised us that it was a performance issue and it would be taken forward a standing item at the as DCC's scrutiny meeting as part of the performance framework.

The CC advised us that the number of mandatory training requirements was extensive, particularly for officers and certain mandatory training had to take priority based on risk.

We appreciated that mandatory training had to be prioritised based on risk and asked why there appeared to be no deadlines for the training as it was still mandatory. We were informed that a programme of training was distributed to the relevant staff members and if an officer or staff member had not attended training, they would not be able to carry out that element of their role until doing so.

Assurance was sought in relation to the potential reputational risk to the Force due to the incomplete mandatory training as both the Mobile Computing and Application Support Maintenance audit reports had received limited assurance and both reports indicated there were issues with mandatory training in those areas.

We asked if there was a record of the Force accepting there was a potential risk due to some of the mandatory training not being carried out. We acknowledged that risk was assessed and recorded but acceptance of the risk was not incorporated into the decision making process and agreed to incorporate it within the Force performance framework where it could be scrutinised and monitored periodically.

In order to provide further assurance TIAA agreed to cross reference issues of non-compliance with the risk register to ensure all risks had been captured.

We noted the Expenses and Additional Payments Audit opinion had been amended from Reasonable to Substantial Assurance and two further reports had been received following the distribution of the agenda, the Governance Assurance Framework review and the review

of Southern Wales Regional Organised Crime Unit (TARIAN), both of which had received 'Reasonable' assurance.

Action

b) Annual Report

We received, noted and considered the TIAA Internal Audit Annual Report for 2018/19 and were pleased to note the overall annual audit opinion.

INTERNAL AUDIT (TORFAEN COUNTY BOROUGH COUNCIL)

7.

a) Detailed Audit Reports

Two audits had been finalised since the last meeting:

- Mobile Computing (Limited Assurance); and
- Application Support and Maintenance Follow up Audit (Unsatisfactory)

Concerns were raised in relation to the large number of audit recommendations overall and the length of time taken to implement them and IA were asked to present their findings.

IA informed us that a scoping process of the areas of work had taken place and some audits were specific to individual partner organisations. A three year plan had been developed incorporating all the areas of SRS requiring audit. The final audit annual plan derived from this plan and was updated with information conveyed through the Finance and Governance Board (FGB) consisting of all five partner organisations including Gwent Police.

IA acknowledged and there had been delays regarding the implementation of their recommendations and advised us that they were frustrated in relation to time delays however, the Shared Resource Service response time had improved this year as a new Sprint Point resource management initiative had been introduced and resources were allocated time to complete specific recommendations.

IA advised us SRS Management had not initially challenged some of the recommendations this had caused further delays, as the recommendations could not be implemented in the timeframe between the initial audit and the follow up audit.

We were advised that SRS Management had subsequently started to challenge some of the recommendations. The FGB monitor the risks and accept there may be a risk of not implementing some of the recommendations.

As the follow up audit report had resulted in a 'limited assurance' rating, as less than 50% of the recommendations had been implemented, we asked whether it was reasonable to expect SRS to implement potential recommendations resulting from this year's forthcoming 12 audits when

they had not completed outstanding recommendations from last year. We were advised that the FGB had approved the 6 audits and 6 audit follow ups within the audit plan, but this could be revisited by the FBG should they wish to prioritise the audits or to reduce the number of them in order to meet the targets.

Action

The ACOR advised us that 40% of resources had been allocated to new developments and 60% had been ring fenced in order to focus on implementation of the audit recommendations. The introduction of the Sprint resources initiative had assisted in ensuring high level risks were prioritised, such as security issues and maintenance of the current service and as a result the process had improved.

Seven audits had been finalised this year as opposed to four last year. The number of planned audits for next year was not dissimilar to the previous year, so further improvement was expected with the introduction of the new resource initiative and the appropriate management escalation procedures in place.

A final audit opinion had not yet been formed as IA were awaiting the conclusion of one audit. The final audit opinion would be conveyed to the FGB by the 21st of June 2019.

We thanked the TCBC for their presentation and reiterated the importance of completing the final audit opinion promptly as it had to be incorporated within the Annual Governance Statement (AGS) and the JAC Annual Report in order for the PCC to form his statement.

The CC left the meeting at 11:05

We asked if the SRS audit reports were reviewed by the other partner organisations in order to raise their concerns. IA informed us that a quarterly summary report was provided to TCBC's Audit Committee but could not confirm if the other partner organisation's Audit Committee's had received the report.

We reiterated our concerns in relation to the governance and control of the SRS, based on the audit reports received and expressed our unease that committees from other partner organisations, to our knowledge, had not expressed their concerns and this was likely to be because they had not had sight of the reports. We were informed that all heads of department within the partner organisations had received copies of their audit reports and it was the responsibility of those organisations to act on them.

We were advised that SRS had requested an audit of the governance processes between the FGB and the SRS Board. The ACOR emphasised the importance in undertaking the audit as the process required improvement.

The PCC agreed to raise the concerns at the next SRS Board meeting.

PCC

We noted the SRS Mobile Computing audit report had been circulated and read. **Action**

Concerns were raised that it was difficult to ascertain which of the areas in the report were applicable to which partner organisation and the risks could have been perceived to be higher than they actually were. IA agreed the reports required clarification regarding which area of the report applied to which organisation and this would be taken into consideration going forward. **ACOR**

We agreed that it would be beneficial to the organisation if the higher level recommendations within each audit report were prioritised as opposed to prioritising those within a 'limited assurance' rated report, which could consist of a high number of low level risks.

We queried if the Business Continuity Manager had been appointed as the role had been vacant for some time and received confirmation that it had.

We noted that the Outstanding Audit Recommendations report did not include those outstanding from the SRS for monitoring. The ACOR agreed to distribute a schedule of those outstanding within the next four to five weeks and to add it as an item on the agenda for the next meeting. **ACOR**

We requested clarification of the initial SRS Application Support and Maintenance audit's date and questioned the length of time specified for 'medium' risk level audit recommendations to be implemented, as the report indicated it was over a year. IA advised us there had been a delay with the implementation of the recommendations due to the vacant Business Continuity Manager post and agreed to include the dates of the initial audits in the future.

OUTSTANDING AUDIT INSPECTION RECOMMENDATIONS

8. 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.

We were informed that the outstanding audit recommendations from the WAO had been completed and TIAA had made a number of recommendations leading up to the year-end accounts process and these would be acted on going forward. An extension was requested for eight of the recommendations, one of which related to the recovery of duplicate payments with an expected completion date of 31st July 2019.

GDPR, Compliance Audit Review 1

We queried the length of the extension given that it was a year since the due date. The ACOR informed us that the team were in the process of undertaking a departmental mapping exercise in order to implement a single corporate structure, whilst assisting with the implementation of a single corporate filing system. This was a sizeable project and the

reason for the extension. The ACOR agreed to include percentage of work completed within the report in the future.

**Action
ACOR**

Local Policing-Property and Cash

We pointed out that the extension request for the recommendation had been declined at the previous meeting and queried why it had been requested again. The ACOR advised us that a dedicated resource had been assisting with the implementation of the recommendations in the improvement plan and a vast amount of work had been undertaken in relation to the storage and transportation of evidential property. The ACOR agreed to provide an update regarding the remaining issue with the door entry security code as to whether it had been resolved.

ACOR

Finance and Resource System Implementation

We queried if the implementation of the Finance and Resource System recommendation could be met by the extension date. The ACOR advised us that a review had taken place within the Human Resources department and it had highlighted a resilience requirement and therefore temporary measures had been put in place until the restructuring of the department had been completed, which should be within the requested timeframe.

Fleet Management Single Systems

We queried why there had been a delay in Fleet Management meeting and asked if the extension could be met. We were informed that overall the process of collaborative working had worked very well and 9 modules of the Fleet Management System were used collaboratively. However, challenges were presented when implementing the remaining system modules as there were different levels of appetite in those areas. The ACOR informed us that he had arranged a progress meeting with the Heads of Fleet Management.

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

We agreed to take item 14 'Creditors and Debtors' next.

CREDITORS AND DEBTORS UPDATE REPORT

9. We received a report update on Creditors and Debtors which was part of the year-end financial outturn report

There had been an overall year end outturn underspend of £106,000, as opposed to the expected £217,000 detailed in the quarter three report. There had been an underspend in employee costs due to less payment of lump sum pension costs than expected. Budget assumptions had been lowered to reflect these costs for the 2019/20 budget, negating further underspending going forward.

The main variance in costs since the last quarter had been in relation to collaborative work which would be redressed in the 2019/20 budget, when the relevant financial information had been received from the collaborative finance team.

We referred to the high level of collaborative overspend, particularly joint firearms and queried who was responsible for ensuring the collaborative costs were allocated to the relevant forces. The ACOR advised us that overall collaborative costs had risen due to changes in investigative procedures, such as an increase in the number of officers required for investigations; a surge in forensic testing; and the reduction in Regional Organised Crime Unit (ROCU) external funding. There had also been a requirement to secure a forensic testing supplier nationally, increasing costs further. Firearms services were coordinated by a lead ACC across the 3 forces, based on the level of risk and demand, which had a tendency to fluctuate.

The South Wales Police (SWP) finance department were responsible for the coordination and collation of collaborative information of force spend and it had been acknowledged by the All Wales Policing Group (AWPG) that improvement was required regarding the timeliness of the allocation of costs. However, we acknowledged there had been a delay due to the previous accountant leaving post, but a new accountant had been appointed which should alleviate the issues of cost allocation going forward.

We asked if the budget would be adjusted to reflect the increase in collaborative costs in the next financial year and received confirmation that the level of collaborative overspend in relation to demand services such as ROCU had been taken into consideration and the 2019/20 budget had been adjusted to reflect that.

We were informed there had been slippage in terms of capital programme spend of £6.9million mainly due to the costs associated with the voluntary termination of the Private Funding Initiative (PFI) and the commencement of the HQ build project moving into the 2019/20 financial year. A revenue contribution of £2.8million had been made to the capital programme to cover the additional costs of the digital Fixed, Field and Flexible rollout (FFF) and the Estate Strategy.

We queried the costs relating to the Automobile Association and Deloitte and were informed that the AA had been contracted as vehicle recovery for the force and Deloitte had been contracted to assist in the review of the operational policing model which had concluded in March 2019.

PRESENTATION OF DRAFT STATEMENT OF ACCOUNTS INCLUDING DRAFT JOINT ANNUAL GOVERNANCE STATEMENT

10. We received a presentation of the draft set of accounts 2018/19 and the draft AGS.

We noted all key actions against the progress improvement plan of 2017/18 had been completed with the exception the Big Red Button (BRB) project management tool. We were advised that a different approach had been taken whereby a mapping exercise of the trial balance was undertaken, with the support of a consultant and the BRB project management tool would be used for the financial year 2019/20.

We were informed that the draft Statement of Accounts were submitted for publication on the Force and Office of the Police and Crime Commissioner website on the 31st of May 2019.

Action

There were 3 key areas outstanding in relation to the 'plan for completion', including the final agreement of related balances with SWP; benefits in kind data for senior officers/staff; and amendments to the Movement in Reserves Statement, Cashflow Statement and the Expenditure and Funding Analysis.

The WAO audit would be completed by the 19th of July and the Statement of Accounts signed off on the by 31st July 2019.

As of 31st March 2019, the total debtors balance stood at £0.929million of which £0.350million was overdue and the majority of which were low risk, mainly from Local Authorities and therefore recoverable. The total creditors balance stood at £1.374million of which £0.884million was overdue; 67% amounted to the top five largest creditors. Creditor payment days had decreased to 24.34 days for quarter four 2018/19, well within the 30 day target.

We asked if any changes to the statement of accounts could be summarised for JAC and the CFO agreed to provide a change analysis as in previous years.

CFO

The Chair thanked the finance team for their presentation and commended those involved in the process in ensuring the deadline of the 31st May 2019 had been met. As JAC members had received the Statement of Accounts on the 31st May 2019, we agreed that it would be appropriate for JAC members to contact the relevant department should they have any comments, once they had fully reviewed them.

The WAO queried when the final revised statements would be completed and the CFO advised that it would be within the next two weeks and he would ensure the WAO were kept informed throughout the process.

The WAO referred to the 'plan for completion' requiring the signing off of the Statement of Accounts on the 31st of July and informed us that the Auditor General would be signing the accounts off on the 31st of July. The CFO advised that the accounts would be signed off by the PCC and CC on the 29th July at the next JAC meeting.

We were advised that the CFOs from all Welsh forces had met to review their AGS documentation, in order to identify best practice in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and a revised draft AGS had been developed as a result.

The draft AGS consisted of two parts ensuring that the 'efficiency' and 'effectiveness' of corporate governance arrangements had been incorporated. This included an action plan, which had been established according to the level of assurance provided when measuring the

organisational governance arrangements against each of the 7 good governance principles. It also included an overall opinion within the conclusion, regarding the governance arrangements that were in place. **Action**

We were informed there were a few final audit reports outstanding and the CFO would be in a position to conclude his report when he was in receipt of the reports.

We noted the final AGS report would be provided at the next meeting for approval by the JAC prior the PCC and CC signing the AGS and their respective Statement of Accounts.

We noted the draft AGS document and requested that the following amendments were made:

System of control:
Part one

- The report was not in single tense;
- The diagram colour key needed clarification; and

CFO
CFO

Review of Effectiveness:
Part Two

Page 1, Internal audit annual report should be amended to internal audit annual reports. **CFO**

The sentence should read 'As part of our auditor general's annual report' **CFO**

We queried if TCBC could frame their annual opinion in light of constituent parties and the ACOR advised that he had received a draft copy of TCBC's annual report indicating which areas of their audits were not related to Gwent Police. A revised version would be provided on the 22nd June 2019 and circulated to JAC members and this information would also be incorporated into the AGS. **ACOR**

Page 3

- The total did not add up to the number generated. '*TIAA undertook 22 audits, generated 102 recommendations 5, 5 and 40*'.

CFO

Page 4

- Clarification on the number of unsatisfactory assurance reports '*The 1 unsatisfactory assurance report was due to the remaining 2 low risk management actions (out of the 4)...*'

CFO

The CFO advised us that he would amend the figures upon receipt of the TCBC final audit report.

We referred to page 14, Police Efficiency Legitimacy and Leadership (PEEL) inspections and queried why the 'Counter Terrorism Prevent' inspection was noted as 'not graded'. We were advised that thematic

inspections undertaken at all forces were graded but random inspections at random forces were not, as these inspections were undertaken to monitor best practice. We requested an asterisk with a note be added to the AGS to indicate that.

**Action
CFO**

We referred to the assurance ratings within the charts on page 17 and queried what evidence they were based on. The CFO advised us that he had drawn evidence from other AGSs and overlaid his own viewpoint in order to determine the narrative of the assessments undertaken. The action plan indicated which of the areas assessed related to the PCC and the CC as 'corporation soles'.

The ACOR advised us that prior to the finalisation of the AGS, he and the CFO would meet with the Strategy, Performance and Change Department to ensure the evidence on which the assessments were made could be collated into a template in order that progress could be monitored annually in the future.

**ACOR/
CFO**

The CFO also suggested incorporating the analysis of the AGS into the Strategic Planning Group (SPG).

CFO

We noted the conclusion was not in single tense and the CFO agreed to amend it.

CFO

Our attention was drawn to 'accountability' in the appendix where reference was made to a duplication in relation to JAC being accountable and we therefore suggested that the third and last bullet point be combined.

CFO

We noted the AGS had not indicated that the PCC's gifts and hospitality was published online in the narrative and the CFO agreed to amend it.

CFO

WE AGREED TO TAKE ITEMS 9, OPCC DECLARATIONS OF INTERESTS/GIFTS AND HOSPITALITY ANNUAL REGISTER REVIEW, 10 GIFTS AND HOSPITALITY REGISTER ANNUAL REVIEW AND 11 ANNUAL BUSINESS INTEREST REGISTER REPORT TOGETHER.

11. We noted the reports had been received.

We requested confirmation in relation to Force compliance with the gifts and hospitality policy and received confirmation that the Force were compliant although the HMICFRS had advised that the Force should publish gifts and hospitality registers more than once a year in respect of transparency.

We queried if the business interests within the report included renewals or if they were new. We received confirmation that the total of 139 included renewals and new business interests.

We referred to the approval of business interests and questioned if it was consistent. We were advised that approval was granted on a case by case basis dependant on the circumstances of the individual and

what had been requested. Conditions were applied where necessary. **Action**

We noted there was one business interest that required amendment to 'gender neutral' and the ACOR agreed to amend it. **ACOR**

JAC TRAINING DAY UPDATE

12. We received the updated report on the proposed actions as a result of the CIPFA training day.

We agreed the majority of responses to the proposed actions were satisfactory. In relation to whether or not the JAC should be involved in appointing an independent assessor for TIAA's Public Sector Internal Audit Standards (PSIAS) compliance review, we noted that this referred more to Local Authority Audit Committee's as their internal audit function was not contracted to an external organisation. We also agreed that due to the number of clients TIAA had, it would not be practical for all to be involved in this process. We were satisfied that the appropriate processes were in place as TIAA self-assessed their audit processes annually and an external audit was undertaken every five years.

Our attention was drawn to the role of the All Wales DCC in relation to collaboration and it was suggested that a separate 'Deep Dive' should take place as opposed to accommodating VFM and collaboration on the same day. We were advised that the All Wales DCC role was due to conclude in July and the intention was for operational collaboration to be led by the ACC in SWP and collaborative projects to be led by the ACC in Gwent. We agreed for a 'Deep Dive' on collaboration to take place in March 2020. **GO**

We discussed the possibility in the reduction of Force funding should the National Crime Agency's request for further funding be granted and the CFO suggested that his response to a query in relation to this issue be shared with the other JAC members. **CFO**

FORCE MANAGEMENT STATEMENT

13. We received an oral update on the Force Management Statement (FMS).

We were advised that the FMS was an annual self-assessment of the Force, produced for the HMICFRS to utilise as part of their inspection regime. This report was the second report of which the data would be used by the HMICFRS, to reduce the burden placed upon the Force by targeting their inspection regime appropriately throughout the year.

The Force self-assessed 12 sections of work including the collaborative units, to assess future and current demand, taking into consideration resourcing and the wellbeing of staff.

All UK's forces were required to incorporate forecast demand, risk assessments and structured case studies within their FMSs. The

National Police Chiefs Council) (NPCC) had approved the Bedfordshire Police risk assessment model, but not all forces had used the risk assessment model and therefore there may not be a direct comparison to other forces in that area.

Action

It had been difficult to provide evidence of the improvements that had been made in terms of innovative structured case studies implemented by the Force organisation, as a full evaluation of the case study area had not been captured prior to the implementation. The mental health practitioner team initiative was a prime example of this, as the service provided had been positively received by both the public and officers but there had not been an initial service evaluation prior to the implementation of the service. However, the Force intended to incorporate structured cases studies in the following years' FMSs.

Overall public demand on the Force had remained stable and the level of contact to the non-emergency number 101 and emergency number 999 hadn't changed significantly since 2015. An HMICFRS inspection was undertaken in 2015 in relation to crime data which had provided the opportunity to analyse the change in the recording of crime, as a further inspection of crime data had been undertaken by the HMICFRS in 2019 where 90.5% of crimes reported were recorded accurately. This analysis had enabled the Force to predict demand over the next four years should conditions remain stable.

There had been a shift in the operational policing model to ensure the most vulnerable victims at the highest level of risk were being prioritised. This had resulted in increased Force demand in areas such as domestic abuse and mental health resulting in longer term crime prevention initiatives being implemented across forces such as the Adverse Childhood Experiences (ACE's) project to provide support.

A comprehensive review of the Public Protection Unit was being undertaken to assess Force demand, in order to protect the vulnerable by providing the appropriate level of experienced resources going forward.

A review of Neighbourhood Policing and the utilisation of technology was also being carried out to improve timeliness and efficiency, in order to manage vulnerability with the current Force establishment.

Risk assessment categories provided by the HMICFRS consisted of 5 colour categories, low to critical and Gwent Police had no critical areas of risk and overall the Force rating was moderate. Force collaborative arrangements and financial arrangements had received a low demand rating, Core policing a moderate rating, the management of Serious and Organised Crime (SOC) and exploitation of the vulnerable received a substantial rating and neighbourhood Policing response to the vulnerable had received a high risk rating.

The high risk rating for neighbourhood policing was mainly due to the policing model transforming the way in which officers responded to

vulnerability as a whole, as there were changes taking place within the Force to ensure staff and officers were fully equipped and trained to carry out their roles efficiently and effectively.

Action

In order for the Force to develop, learn and plan for the future, the information contained within the FMS would be disseminated to relevant Force areas for review and the FMS would be used to mark improvement against each of those areas by the end of the year.

We thanked the HoGP for his comprehensive update and queried if the risks identified within the FMS had been reflected in the strategic risk register. We were advised that they had not due to the risks being specifically demand related, as opposed to structural risks. The ACOR advised us that should there be requirement to move resources to address demand risk, this could be done through the resource modelling process and Force's reviews of resource capacity.

The PCC explained that it was important for there to be good correlation between the FMS and the overarching Police and Crime Plan (PCP), in order to provide assurance that the Force could meet the objectives with the PCP and national priorities.

The HoSPC and Force Governance Officer left the meeting 1.20pm

The meeting was paused at 1.20pm and resumed at 1.35pm in order for a working lunch to take place.

DRAFT JAC ANNUAL REPORT

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

We requested that the following changes were made:

Page 4

Move remaining bullet point on top of page 4 to page 3.

HoAC

To add narrative to explain that JAC members met with the auditors prior to the start of every meeting in order for them to highlight any concerns or issues they may have without officers in attendance.

HoAC

Page 9, Public Sector Internal Audit Standards (PSIAS)

Narrative to state that TIAA were compliant with the PSIAS.

HoAC

Page 10, Shared Resource Service Audit Plans

Make clear that the JAC will now monitor the completion of all SRS audit recommendations via the Outstanding Audit Recommendations report.

HoAC

Page 11, Conclusion

To include that the JAC have received assurance from TCBC that the SRS have sufficient resources in place to meet the audit plan set for 2019/20

HoAC

We agreed further amendments would be made to the conclusion by JAC members upon receipt of the final Annual Audit reports from both TCBC and TIAA. **Action**

The HoAC agreed to circulate the JAC annual report for final amendments prior to the meeting on the 29th July 2019, when the report would be officially signed off. **HoAC**

We noted JAC members had not officially been informed as to whether or not TIAA had been successful in the procurement process for a new internal auditor. The CFO advised that they had been re-appointed, he believed for a further two year term although he would provide clarification to members on the contract length. **CFO**

The PCC left the meeting at 1.50pm

We referred to the self-assessment questionnaire and discussed the relevance of questions 13 and 14, as not all JAC attendees stayed for the deep dives so the answers 'no' or 'don't know' could be perceived wrongly. We agreed to amend the questions to 'Do the arranged deep dives allow **you** to gain a wider /deeper understanding' and Do **you** find the deep dives relevant'. **HoAC**

We noted that concerns had been raised as to whether or not the JAC covered the areas of VfM sufficiently and agreed that this had been confirmed and added to the JAC ToR at the previous meeting.

T Veale left the meeting at 2.00pm

Our attention was brought to appendix 2 of the report, 'JAC Compliance with TOR' and we agreed the following: **HoAC**

To include when JAC had requested attendance at a meeting from a report author in order to provide further assurance. **HoAC**

To add 'Counter Fraud Compliance Health Check' and 'Gifts and Hospitality' for June 2019. **HoAC**

To make reference to the fact an independent audit had been undertaken in relation to a data breach as a result of a Freedom of Information request. **HoAC**

To amend line 2.8 to make reference to the production of the Statement of Accounts. **HoAC**

To add HMICFRS Inspection reports, Financial Performance Report, CIPFA training day and WAO and TIAA guidance to line 2.12. **HoAC**

To remove the word 'update' from all references to IA Update Reports in the document and to add IA Reports to line 4.6 **HoAC**

| | |
|--|------------------------|
| To add narrative to line 5.5 to reflect that audit fees were also included in the annual audit plan. | Action HoAC |
| We referred to the proposed JAC Self-Assessment Action plan and agreed the following: | |
| Action 2 - The action could be removed as the role of the JAC was better understood by the Force. | HoAC |
| Action 4 Assurance Framework - To add an update to state that the audit had now been received by the JAC and further discussions would take place between officers to determine how this could be progressed. | HoAC |
| Action 4 Value for Money - To add 'Update, pending December meeting and the TOR review' to the Agreed Resolution column. | HoAC |
| Action 4 Counter-fraud and Corruption - To close the Counter-Fraud and Corruption action as we were satisfied that the JAC complied with this area. | HoAC |
| C1 Action 1 – We agreed to add Collaboration as the deep dive for the March 2020 meeting, although we stated that this may be replaced with a deep dive on the amendments needed to the JAC self-assessment form after the review of the TOR. | HoAC |
| C1 Action 3 - We agreed that it would be beneficial to have sight of the forward workplan on an annual basis. | HoAC |
| C3 We agreed that as no further work in relation to building the link between the JAC and the PCP was needed, we agreed to close the action. | HoAC |
| We agreed it would be beneficial to add attendees to the front page of the agenda going forward. | GO |

COMMISSIONING UPDATE

15. We received the Commissioning Update Report.

We were informed that a new Principal and Finance Commissioning Manager had been appointed as a result of the OPCC restructure. A review of commissioning of services was being undertaken in conjunction with the Police and Crime Plan and the OPCC Business Plan. Following the completion of the review, a revised Commissioning Strategy would be provided to the JAC in the next couple of months.

ANNUAL TREASURY MANAGEMENT STRATEGY END OF YEAR REPORT 2018/19

16. We received the Treasury Management Annual Report 2018/19 for approval.

We noted the report was a requirement of the PCC's statutory reporting responsibilities and it had met the demands of the overarching regulations issued under the Local Government Act 2003 in demonstrating a low risk approach.

Action

There had been a slippage of £6.903 million in actual capital expenditure due to the costs of the new HQ project build and the termination of the PFI contract moving into 2019/20.

We received formal confirmation of a low risk Treasury Management Strategy breach in November 2018, where a counterparty investment threshold had breached its maximum limit for a period of six weeks. As the counter party was a Local Authority (low risk) and the alternative option would have resulted in the loss of £2000 of interest, a decision had been taken by the CFO on the day the breach was discovered, to accept the low risk breach until the planned repayment due date. Members acknowledged the breach and the actions taken by the CFO, both at the time the breach was discovered in accepting the risk and also the management advice to staff subsequent to the breach.

JOINT STRATEGIC RISK MANAGEMENT STRATEGY 2019

17. We Received the Joint Strategic Risk Management Strategy 2019 for approval.

We discussed the unification of Force demand risks contained within the FMS with the strategic risks on the strategic risk register. The ACOR advised us that the matter would be discussed at the next Chief Officer group meeting.

ACOR

We noted changes to the report had been highlighted and requested a report indicating if any data had been removed or amended in order to make an accurate comparison. The CEx advised us that the report would be presented to the PCC's Strategy Performance Board (SPB) and a request would be made for the required information at that Meeting.

CEx

EXCLUSION OF THE PRESS AND PUBLIC

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 section 7.

JOINT STRATEGIC RISK REGISTER

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

We noted that there were no new or critical risks to the organisation.

We queried what 'HTCU' referred to and received confirmation that it

was in reference to the High Tech Crime Unit, which had been placed at high level risk on the register to make sure the relevant departments were achieving the required information security accreditation in order to be able to undertake forensic processes when investigating criminal cases.

Action

We requested an updated list of acronyms and the HoAC agreed to circulate it to JAC members.

HoAC

We discussed central evidential storage provision and compliance and queried the level of risk due to Bettws station having only 3% capacity remaining. The ACOR advised us that the evidential stores at the Local Policing Areas had been cleansed and placed in central storage in order for officers to review and identify the evidence that was eligible for destruction. This process should reduce the capacity significantly to around 10% capacity within the next month. The implementation of a new racking system would also provide additional storage capacity.

DISASTER RECOVERY UPDATE

20. We received a report on the disaster recovery project.

We were informed that progress had been made and although there had been a few timetable adjustments made, the appropriate network arrangements were in place and the new Storage Area Network (SAN) was expected to be transferred to Fairwater Police Station on the 10th and 11th of June 2019 and 'live testing' undertaken following that.

We queried if stage two of the DR process related to the DR provision of HQ relocation and we were advised that resilience was provided to the Force control room by another site and when Fairwater Police Station was fully functional, DR and resilience would no longer be required at that site.

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

21. There were no additional reports to be brought to the attention of the JAC.

ANY OTHER BUSINESS

22.

- We noted agendas and reports posted to JAC members were not secure, as the packaging had been damaged when received. The issue had subsequently been addressed, but the GO agreed to review the matter going forward.

GO

- We agreed that all previous JAC documentation should be brought to subsequent JAC meetings for appropriate disposal in accordance with the GDPR retention policy.

ALL JAC Members

Action

- JAC members had sent in their one to one forms for review and requested an update. The HoAC agreed to review and provide an update.

HoAC

TO IDENTIFY ANY RISKS ARISING FROM THIS MEETING

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

The meeting concluded at 2.40pm.