

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

**JOINT AUDIT COMMITTEE**

13<sup>th</sup> September 2018

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

Together with: Ms E Thomas – Deputy Police and Crime Commissioner (DPCC)  
Mr D Garwood-Pask – Chief Finance Officer (CFO)  
Mrs J Regan – Head of Assurance and Compliance (HoAC)  
Mrs N Warren – Public Response Co-ordinator  
Mr J Williams – Chief Constable (CC)  
Mr N Stephens – Assistant Chief Officer, Resources (ACOR)  
Mr H Nicholas – Chief Inspector, Head of Governance and Performance, Service Development (HoGP)  
Mrs L Virgo – Head of Finance (HoF)  
Ms H Boey – Accountant  
Ms R C Jones – Performance Officer (PO)  
Ms T Veale – Wales Audit Office (WAO)  
Mr C Fitzgerald – TIAA (IA)

The meeting commenced at 10:00am.

The Chair welcomed Mrs Warren from the Office of the Police and Crime Commissioner (OPCC) to the meeting and noted that she would be assisting the HoAC with the minutes. We acknowledged the Chief Constable would also be joining the meeting.

**Action**

We noted that Item 11 'Shared Resource Service (SRS) Monitoring Report' had been added to the agenda in error and would therefore not be discussed at this meeting.

**APOLOGIES**

1. Apologies for absence were received from Mr J Cuthbert – Police and Crime Commissioner (PCC), Mrs S Curley – Chief Executive (CEX), Mr J Iles – Governance Officer (GO), Mrs V Davies – TIAA, Ms H Cargill – TIAA, Mrs E Ackland – Chief Superintendent Head of Service Development (HoSD) and Ms A Harkin – Wales Audit Office (WAO)

**DECLARATIONS OF INTEREST**

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

## **MINUTES**

## **Action**

3. The Chair advised us that the minutes had not been circulated prior to the meeting and requested that this was done in future. We noted there were items marked as actions within the minutes which did not appear on the action sheet and agreed to raise those that we did not believe had been completed as we reviewed the minutes.

**GO**

### **Page 8, Approval of Joint Audit Committee Annual Report**

The HoAC advised that the action had been completed and the JAC's Annual Report had been passed to both the PCC and CC for approval.

We requested that any decisions made at the JAC should be underlined or made bold within the minutes in order for them to be easily identifiable as a result of the discussions undertaken.

**GO**

## **ACTIONS**

4. We noted the actions from the meeting held on the 31<sup>st</sup> July 2018. The following were highlighted:

We noted that the page numbers on the action sheet did not cross reference to the minutes. We requested that this was completed in future.

**GO**

### **Action 9, Any Other Business**

TIAA would ensure the self-assessment tool to assist in assessing Value for Money (VfM) was provided to the ACOR and CFO for review before it was circulated to the JAC.

**TIAA**

### **Outstanding Actions, 7th June 2018**

#### **Action 2, Minutes**

The HoAC informed us that she had been unable to change the date of the JAC meeting in December 2018 due to other commitments. Ms Turner stated she would therefore be unable to attend due to a prior work commitment that could not be altered. She requested that when writing the JAC Annual Report for 2018/19 that a footnote was included to explain her absence.

**HoAC**

#### **Action 4, Internal Audit – TIAA, Update Report 2018/19**

The ACOR advised us that he was considering the Terms of Reference (ToR) for the audit on HR Management, Training and Development to determine if it could be altered to include sickness absence and welfare management.

We were advised that the briefings included in the TIAA Update Report on developments in governance, risk and control had been identified as part of the environmental scan undertaken by Service Development. These areas would be discussed within the internal governance framework to ensure the issues were considered appropriately.

**Action 5, Internal Audit – Torfaen County Borough Council (TCBC)** **Action**  
We agreed that both actions had been completed and could be removed **GO**  
from the action sheet.

**Action 6, Disaster Recovery Update** **GO**  
We noted that this was an item on the agenda and agreed that the action  
could be removed from the action sheet.

**Action 8, Presentation on the Statement of Accounts (including the**  
**Annual Governance Statement)** **GO**  
The ACOR informed us that the force would be using the national staff  
survey again during 2018/19. The survey had been adjusted to include  
themes identified through Her Majesty’s Inspectorate of Constabulary  
and Fire & Rescue Services (HMICFRS) reviews. In addition to this, the  
surveys undertaken by the Police Federation were also reviewed and  
there were monthly meetings with both Unison, the Police Federation  
and the Superintendents Association to ensure all issues raised by their  
members were brought to the attention of the organisation in order for  
them be to addressed. We agreed that this action had been completed  
and could be removed from the action sheet.

**Action 10, Outstanding Audit Inspection Recommendations**  
The ACOR informed us that the largest project currently being  
undertaken where there were concerns in relation to resource and  
progression was in relation to disaster recovery; we agreed to discuss  
this further as part of the disaster recovery item on the agenda.

We were advised that in relation to the other large projects such as Fully  
Integrated Resource Management System (FIRMS), the outstanding  
audit recommendations report continued to provide an indication of the  
progress that the force was making. We agreed that the action could be  
marked as complete and removed from the action sheet. **GO**

**Action 13, Joint Strategic Risk Register** **GO**  
We agreed to address these actions at agenda Item 4 ‘Joint Strategic  
Risk Register’. These actions could be removed from the action sheet.

**Action 14, All Wales Training Day** **GO**  
We agreed to add the completed action points from the training day to  
the agenda for the December meeting so a discussion could take place  
prior to the next training day in February 2019.

**Outstanding Actions, 21<sup>st</sup> December 2017**

**Action 3, Internal Audit (TIAA), Vetting** **ACOR**  
We were advised that the duplication of vetting had been raised on an all  
Wales basis and noted that discussions were still on-going due to the  
complexities involved in this area. Locally, the Professional Standards  
Department (PSD) had been asked if the force were able to place  
reliance on other organisation’s vetting. Work was still ongoing in this  
area and that we would be updated once a decision had been made.

## **Outstanding Actions, 29<sup>th</sup> June 2017**

**Action**

### **Action 9, JAC Annual Report, Board Assurance Framework**

The CFO stated that the Board Assurance Framework was part of a scheduled TIAA audit for 2018. The final detailed audit report would be circulated to the JAC once it had been completed.

**GO**

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

5. 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**

6. We received a presentation and report from the ACOR in relation to the Joint Strategic Risk Register.

The Chair reiterated the importance of addressing the risk register as a priority and reminded us that it would be taken at the beginning of the agenda at every September meeting.

**GO**

The ACOR informed us that since the JAC had prioritised risk it had ensured the force also re-focused their attention on this area, as recently, resource had been directed towards the completion of the Force Management Statement (FMS) and HMICFRS recommendations.

The ACOR informed us of the two tiered approach the force took to risk management - strategic and operational - and were advised as to how this was managed. We noted the risk model used and also how risk was calculated and assessed and were also informed of the daily risk management process that was undertaken. We were advised that an internal audit on risk had been undertaken in 2017/18 which resulted in a 'reasonable' assurance rating being provided.

### **Mr M Lewis, Chief Operating Officer (COO) of the Shared Resource Service (SRS) joined the meeting at 10.25am**

We thanked the ACOR for his presentation and report and agreed that they provided assurance that the correct procedures were in place to identify any risks that need to be brought to the attention of the organisation. This allowed the JAC to focus on those areas of risk that were a concern.

We raised concern in relation to a number of references within the FMS that indicated that there was not sufficient capacity within the Finance Department to manage the risks identified and queried if consideration could be given to reviewing the departmental budget in order to provide the necessary resources. The ACOR advised us that the FMS had helped to identify areas of weakness and concern within the organisation

and as such a post implementation review of the new finance departmental structure had taken place. This had resulted in approval of extra resource for the finance department to assist in mitigating these risks. We were also advised that due to the sharing of financial systems with South Wales Police, further collaborative opportunities were to be explored in relation to the finance function.

**Action**

We were provided with assurance that both the ACOR and CFO were satisfied that the structure of the Finance Department and the approved additional resources would provide the support required for the coming year. We were advised that the JAC's previous concerns in relation to the Finance Department had also been taken into consideration when discussing whether the additional resource required would be provided.

### **Mrs J Regan left the meeting at 10.30am**

We queried how often the risk register was updated as we were aware risks may be identified and resolved before being brought to the attention of the JAC. We were advised that risk was discussed at the monthly Service Improvement Board (SIB). The timing of the SIB had impacted on this risk as its discussion had been brought forward to coincide with the post implementation review of the Finance Department as a result of the work undertaken on the FMS.

The PO advised us that the Risk Management Policy was awaiting review but that this could not take place until the force governance structure had been finalised. The CFO stated that once the policy had been completed it would be presented to the JAC for consideration.

**GO**

We queried if the force budgeted for vacancies. The CFO explained that if the vacancy was within an established structure that had been approved by the SIB then that post would be budgeted for; extra funding in addition to that held for approved vacancies was no longer included.

We also queried if the additional resources agreed to provide support to the Finance Department provided resilience in light of the high turnover of staff experienced. The CFO assured us that the interim structure provided longer term contracts for those staff members not employed permanently to encourage them to remain with the organisation. We agreed that resilience within the Department still posed a risk to the organisation and would need to be continuously monitored. The CFO agreed and provided assurance that within the interim structure, a project team had been created who would work on areas such as the FMS and Comprehensive Spending Review (CSR), which required high levels of support from the Department. This ensured that the resource allocated to processes such as budget setting, closure of accounts, creditors and debtors, were not removed. The HoF advised us that offering training opportunities had encouraged members of staff to remain within the Department in order to progress.

We raised concern that many of the high risks contained within the risk register were interdependent on other public sector organisations, such

as children in custody and the provision of doctors in custody, and queried how this was dealt with. We also queried how effective the Public Service Boards (PSBs) were at progressing these risks.

**Action**

The DPCC confirmed that we were reliant on partnership working with other public sector organisations in relation to many of the high level risks. Both areas of risk raised were not Gwent specific risks but were being experienced nationally. We were advised that regular meetings took place with the Health Service and the Local Authorities in relation to these area of work as well as with the Welsh Government and police force colleagues. We were informed that the PSBs were still in their infancy and were focussing on the general well-being plans they were required to implement rather than on joint areas of risk. We noted however that there was opportunity to discuss these types of risk via the 'Gwent 9' meeting which was attended by senior representatives of the police, OPCC, five local authorities, Aneurin Bevan University Health Board and South Wales Fire and Rescue Service. We were advised that work was ongoing in relation to children in custody and we were fortunate to have positive relationships in Gwent with other public sector organisations. We noted that the force operated to all national procedures in relation to detaining children in custody but there were occasions where there was no alternative provision available. We were informed that if a child had to be detained in custody they would be physically safe but it was not the most appropriate place to support their mental wellbeing. We were advised that this had been an issue for a number of years and was unlikely to be resolved in the near future, especially due to the current financial constraints experienced by the public sector.

**Miss R C Jones left the meeting at 10.50am.**

**We agreed to take Item 11 'Disaster Recovery Systems - Update' whilst we were within the closed section of the agenda.**

### **DISASTER RECOVERY UPDATE**

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

The ACOR reminded us that disaster recovery was still on the strategic risk register. The high level risks had been mitigated against although the provision of disaster recovery services had not yet been completed. The building to house the disaster recovery facility had been jointly built with South Wales Police, with both forces providing resources to develop the service in relation to their own applications and services.

We were advised that a robust plan would be developed with the SRS in order to take forward the implementation of disaster recovery services. The ACOR had also requested the assistance of the lead member for IT (Dr J Wademan) in the scrutiny of the proposed SRS plan. Once the plan had been agreed and a revised date set for implementation the detail would be provided to this meeting. We were advised that a

**ACOR**

temporary disaster recovery service had been implemented in relation to all priority (Platinum) systems and services.

**Action**

We queried if there was sufficient resource allocated to the project and if there was a specific issue with South Wales Police that had resulted in a delay to the project's completion. The COO informed us that the SRS was able to ensure there was sufficient resource allocated to the project, the current delay was due to risks being identified in allowing Gwent to use the infrastructure put in place by South Wales Police. The intention had been for Gwent to utilise the same infrastructure to transfer data from the primary server site to the disaster recovery site but as the project had progressed risks had emerged that resulted in concern with both forces using the same infrastructure. As a result the SRS now had to design the infrastructure Gwent Police needed in order for the disaster recovery site to be used.

We queried, with hindsight, if the ACOR believed progressing with a joint disaster recovery site was the right decision. He assured us that it was and reminded us that as well as the financial benefits associated with the joint project, we could also be ensured that the physical security and maintenance of the site would be appropriate. There was also a statutory duty placed on the force to consider collaboration in all aspects of business.

We thanked the lead member for IT for her involvement to date and for the future work that was to come in relation to the project. We agreed it provided reassurance that her expertise in this area was being utilised. We were pleased to see that the Force had recognised the importance of the issues surrounding the disaster recovery project and that it had been added as a separate item on the agenda.

### **Mrs J Regan re-joined the meeting at 11am.**

We queried if the limited assurance detailed audit report in relation to Business Continuity Management (BCM) linked to the issues with the disaster recovery project.

The ACOR advised us that the SRS Finance and Governance Board meeting had taken place on 12<sup>th</sup> September 2018 at which the SRS provided an action plan to evidence how they would be addressing the recommendations resulting from the audit. The ACOR informed us that TIAA were undertaking a BCM audit for Gwent Police and stated he would provide a copy of the presentation provided by the SRS to them to assist in their audit work.

**ACOR**

The COO informed us that the SRS BCM plan needed to contain a process that could be implemented, if for example, there were no staff available to provide the service to partner organisations. All five partners would need to review their own BCM arrangements in order to ensure the SRS could develop a credible plan.

We were advised that the audit had highlighted the gap in investment in BCM and as a result a member of staff had been supported to become accredited in this area of work. They had now developed an action plan that responded to thirteen of the twenty-two audit recommendations; we noted that the action plan would be completed in approximately eighteen months but would require an investment of £85,000. We were also advised that the nine recommendations that were not contained within this plan would also be monitored. The COO believed that once the work ongoing in this area had been finalised, the audit outcome would improve from limited assurance.

**Action**

We queried what the financial impact was of the additional work that now had to be undertaken. The ACOR advised us that he would provide an update as part of the outstanding audit recommendations report.

**ACOR**

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

**Mr M Lewis left the meeting at 11.15am.**

### **EXTERNAL AUDIT UPDATE REPORT**

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

A post project learning session had taken place with the Finance Department in relation to the issues experienced during the production of the accounts for 2017/18. An all Wales learning session with the three other Welsh forces was due to take place in the near future in order to ensure the accounts completion date of 31<sup>st</sup> July 2019 was adhered to.

We were informed there would be an additional audit fee due in relation to the challenges faced during the finalisation of the 2017/18 accounts; this increase in cost would be discussed with the CFO and ACOR in due course.

We were advised that the deadline for the 2019/20 fee scales consultation was 24<sup>th</sup> September 2018.

The CFO informed us that the audit recommendations from the closure of the accounts would be included in the outstanding audit recommendations report. The CFO also stated that he would provide the annual Accounts Closure Plan to the December meeting for the information of members.

**CFO**

### **CONSULTATION ON WAO FEE SCALES FOR 2019/20**

9. We received an update on the consultation on the WAO fee scales for 2019/20.

We were pleased to note there was no change to the proposed audit fee for 2019/20.



We queried whether a response had been drafted to the consultation. The CFO informed us that a response would be submitted by the deadline of the 24<sup>th</sup> September 2018 and requested that he was made aware of any comments the JAC wanted to include.

**Action**

**ALL**

## **INTERNAL AUDIT – TIAA**

10. We received the following reports from TIAA:

### **a) Update Report**

The following audits had been finalised since the last meeting:

- Contract Management (Reasonable Assurance)
- General Data Protection Regulation (GDPR) Compliance (Reasonable Assurance)

TIAA informed us that the Contract Management audit had reviewed the governance arrangements that were in place for the building of the new Police Headquarters (HQ) and advised us that a further audit would be undertaken during January 2019. We noted the recommendation issued as a result of this audit stated that the contracts had not been dated when they were signed. The JAC had discussed the matter with TIAA during the pre-meet where they were informed of the importance in ensuring documents such as these were dated appropriately. We were informed that the CFO and ACOR were compiling an assurance report for the PCC and the CC in relation to the HQ project. The CFO advised us that the assurance report was almost complete and once approved would be shared with the JAC.

**CFO**

The ACOR advised us that the planning application for the new HQ was now available on the TCBC website and that it was being considered at the next planning meeting scheduled to take place on 18<sup>th</sup> September 2018.

We queried how the impact of the FMS had resulted in an extension of the Governance Assurance Framework audit. The ACOR informed us that whilst compiling the FMS the Force been able to identify issues within the Force. From a governance perspective, the FMS had evidenced that reporting mechanisms to Force boards and the ToRs associated with those boards would benefit from a review to ensure they were aligned correctly which had delayed the commencement of the audit in this area. We noted that fieldwork was now in progress in relation to this audit.

We noted that the audit plan indicated that there had been a delay in issuing the final audit report in relation to fleet management. We noted that it was a joint audit that also covered South Wales and Dyfed Powys and queried whether this was a contributory factor. We were advised that this had contributed to the delay in issuing the final audit report as one audit report was being produced for all three force areas.

We queried how the decision was made in relation to which collaborative project was to be audited each year. The ACOR advised us that the projects were chosen sequentially on an annual basis.

**Action**

In reference to the 'Briefings on Developments in Governance, Risk and Control', we queried if the Force were able to take credit card payments. We were advised it was possible but currently only for firearms payments. The ACOR stated that national developments were taking place in relation to Force websites, known as the Single Online Home, which would assist in establishing the functionality to take payments across all areas of the organisation. TIAA advised the ACOR to ensure that all methods of receiving online payments complied with the relevant security standards.

**ACOR**

We noted that TIAA had produced a briefing note entitled 'Estates Management Checklist for Boards' and requested that it was included on the agenda for the next meeting.

**GO**

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

11. We received the amended Audit Plan for 2018/19 and the BCM detailed internal audit report from TCBC.

The Chair reminded us that we had previously discussed the BCM audit report but queried if there were any additional comments on this or the amended Audit Plan for 2018/19.

We agreed that the assurance ratings of the audits undertaken on the SRS were concerning, especially due to the nature of the service the organisation provided to partners. We stated that having no documentation in place in relation to BCM was very disappointing. The ACOR agreed with our comments and assured us that the focus of the SRS management had now changed with more importance placed on the governance arrangements, including the completion of the internal audit plan, and had started to resolve these issues.

We agreed that although changes had started to be made there was still further work to do and requested our significant concerns were recorded. We also raised concern with the length of time allocated by the SRS to complete audits in comparison to other areas within the force and would expect to see an improvement in the near future.

We queried what feedback the Audit Committees of the other partner organisations were providing in relation to the audit and governance issues being raised. The ACOR advised us that audits such as that undertaken on the BCM area, was one of the first reports that related to all partner organisations and evidenced the challenges faced by the SRS.

We stated that concerns had been raised previously about the SRS audit reports and that we did not feel there was enough transparency although we acknowledged that this was now starting to improve.

The lead member for IT stated that the current situation was very concerning, especially due to the number of organisations who relied on the service provided by the SRS. She stated that there were multiple issues that needed to be addressed and was concerned that there were limited strategic priorities contained within the audit plan for 2018/19 and that there was no indication for the severity of risk the SRS was exposed. In relation to the BCM audit report, she advised that the detailed completion criteria as well as a step by step guide of each stage would be needed until the recommendations were complete. We reiterated our disappointment and concern in relation to this audit and that minimal assurance had been received from the report.

**Action**

The DPCC assured us that the level of concern raised by the JAC would be fed back to the PCC in order for it to be raised at the next SRS Board meeting. We requested that the PCC formally asked what the Audit Committee's views were from the other partner organisations as a result of the recent audit reports.

**DPCC**

**PCC**

We raised concern that a recommendation within the BCM audit report in relation to service level agreements between the SRS and partner organisations clearly specifying the disaster recovery and BCM service, had been rejected by management. The ACOR advised us that this recommendation was not contained within the action plan developed by the SRS and would be monitored separately, he agreed it was important that all recommendations made by the auditors were appropriately addressed. He assured us that the Force had clear service level agreements in place with the SRS in relation to disaster recovery and it was important that the SRS responded to this recommendation on behalf of the other partners and that it should not be dismissed.

## **OUTSTANDING AUDIT INSPECTION RECOMMEDATIONS**

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

We noted the date of the report of May 2018 and queried if this was correct; the ACOR gave his apologies for the incorrect date but confirmed the report was otherwise accurate.

We requested if it was possible to include page numbers on the report in future.

**ACOR**

The ACOR informed us of the outstanding recommendations he was requesting an extension on, the following were raised:

### **Page 1, Vetting**

We queried if the vetting recommendation would be finalised by the revised due date of 31<sup>st</sup> December 2018. The ACOR advised us that the recommendation was on course to be completed by this date.

We noted that there were a number of priority three recommendations

included in the report which were not usually provided. The ACOR advised there had been an error whilst collating the report and confirmed that only the priority one and two recommendations should have been included as previously agreed.

**Action**

We also queried why certain recommendations had been marked as complete when the actual completion date had not yet been reached, for example the Duty Resource Management System was due to 'go live' on the 1<sup>st</sup> October 2018 but implementation would not be complete until 11<sup>th</sup> February 2019. The ACOR confirmed that even though rollout of the system would not be complete until February 2019, the recommendation to 'develop the requirements of the new Duty Resource System...' had been completed and the recommendation finalised.

### **BUDGET PROCESS BRIEFING**

13. We received an update from the CFO on the budget setting process.

We were advised that the budget setting timetable had been provided to members for comment in line with the requirement outlined in the JAC ToR.

The CFO advised us that the OPCC would be undertaking a pre-consultation precept survey as there had been a limited response to previous surveys due to their release over the Christmas period.

The CFO advised us of the following key dates:

- November – the PCC would receive and scrutinise the budget bid from the CC.
- December – the JAC would be briefed on the budget setting process and Police and Crime Panel (PCP) would be briefed on the provisional budget and precept proposal and a review of the provisional settlement would take place.
- January – the PCP would be presented with the proposed precept.

We queried how the pre-consultation would be undertaken. The CFO informed us that the OPCC Communication and Engagement team were currently compiling the key questions based around austerity and demand on front line policing. The CFO offered to share the questions with the JAC prior to the launch of the consultation.

**CFO**

**The CC joined the meeting at 12 noon.**

### **PRESENTATION ON LESSONS LEARNED FROM 2017/2018 ACCOUNTS CLOSURE**

14. We received a presentation from the HoF on the lessons learned as a result of the 2017/18 early closure of accounts.

We were assured that the Finance Department had a clear plan in place to ensure the closure of accounts for 2018/19 would be completed by

the 31<sup>st</sup> July 2019 deadline.

**Action**

We were advised of the key areas included in the plan and informed that each identified issue was allocated to a member of staff who had overall responsibility for its resolution. There was also information included that related to the action already undertaken to resolve the issue, what the outstanding actions were and the deadline for achieving completion.

We were assured that issues identified with the 'Big Red Button' system that had been used for the first time for the closure of the accounts, had been fed back to CIPFA, who had been responsive to the issues raised. It had also been agreed that the Finance Department would work closely with the WAO throughout the process for the 2018/19 accounts and ensure the correct people were available as required.

We queried how continuity within the Department would be ensured due to the imminent departure of the HoF. The ACOR advised that current staff would be retained within the structure and a new joint Head of Finance role would be implemented with the posts being filled by Ms J Glossop and Ms H Boey. A third role would also be implemented with a secondee experienced in accounting processes being brought in to provide advice and guidance in this area. We were informed that this structure would remain in place for the next twelve months to September 2019. Over this twelve month period, work would be undertaken to determine if there were areas within the Finance Department that could be collaborated on; we were advised that the finance team were aware that these discussions would be taking place.

The CFO assured us he was confident that the temporary structure was in the best interests of the Department and would support the detailed accounts closure plan which would be provided to the JAC in December 2018. We were advised that the CFO and ACOR would be holding joint fortnightly meetings with the three HoFs to ensure all was progressing appropriately.

We were reminded that any recommendations contained within the Annual Audit Letter issued by the WAO would be included in the Outstanding Audit Recommendations Report that was provided to members on a quarterly basis.

**ACOR**

The CFO stated that he would brief the OPCC Management team on progress with the accounts closure action plan to provide assurance to the PCC that next year's deadline would be met.

We queried if the actual lessons learned action plan would be presented to future meetings. The CFO advised that it would be included in the outstanding audit recommendations report.

**CFO/  
ACOR**

We queried if the action plan and the timeframes set were realistic. The ACOR and CFO confirmed that they were satisfied with the credibility of the plan.

We were advised by the HoF that there were two year end action plans, one for financial accounts and the other for management accounts. These action plans would now be combined to ensure that the allocated staff member was responsible for the completion of a process from start to finish. We were also advised that staff members kept abreast of changes to accounting standards via continuous professional development. Changes to accounting standards not yet implemented are also assessed to determine the impact they may have on the following year's accounts process.

The DPCC thanked those who had contributed to compiling the action plan and for providing guidance and assurance at the JAC meetings.

We thanked the HoF for the work undertaken in the previous year and wished her well in her new role.

### **OUTSTANDING DEBTORS AND CREDITORS DAYS PROGRESS REPORT**

15. We received a report from the ACOR on the aged creditor and debtor balances.

We queried how the duplicate payments had occurred. The HoF informed us they were as a result of the new finance system being implemented. All issues had been identified and resolved so they would not happen again. We queried if there had been any fraudulent activity related to the duplicate payments and were informed that this had been considered but there was no indication that this had occurred.

The HoF informed us that the Department had been working with PricewaterhouseCoopers (PwC) to review and document financial procedures as a result of the implementation of the new system. As processes were being documented, finance staff were also working to identify any areas that could be improved upon.

We were pleased that the duplicate payments position was improving and requested a further update in December. We stated that this area of work needed to be progressed quickly due to the reputational damage it could potentially cause. The HoF advised us she was disappointed the work was not further advanced but was confident that there was limited risk involved in retrieving the duplicate payments that had been made; a member of staff had now been allocated to concentrate solely on this area of work.

**ACOR**

The HoF also advised us that there were a number of invoices still in dispute with our collaborative partners. In order to ensure these issues did not arise again in future, quarterly supplier reconciliation meetings would be established.

We were pleased to note that the payment time for new invoices currently stood at 11.8 days. The 41.6 days evidenced in the report also included those invoices that were historic and in dispute.

## **VALUE FOR MONEY REVIEW**

## **Action**

16. We received a report from the HoAC that provided a comparison of the Value for Money (VfM) wording contained in the ToRs of other JACs across England and Wales. The report also provided suggestions as to how we could ensure we monitored VfM appropriately.

We agreed it was helpful to see the ToR comparison with other JACs and that the first part of the CIPFA guidance, 'to review arrangements to deliver VfM' appeared to be reflected within our ToR. We noted however, that the second part of the statement from CIPFA, '...and review assurances and assessments on the effectiveness of these arrangements', was not reflected in our ToR.

We agreed that a decision needed to be taken to determine the remit of the JAC in relation to VfM and if it was to be extended to provide assurance on the effectiveness of these arrangements, how this workload would be managed.

We stated that the VfM profiles which we reviewed annually in December, focussed almost entirely on the financial aspect of VfM but did not consider demand or outcomes. We stated that if they showed Gwent to be a high cost force, this could be explained if demand was also higher or if Gwent achieved better outcomes than other forces. We queried if it would be possible to link the financial aspect of VfM to that of Force performance in order to give a more holistic opinion on whether or not VfM was achieved.

The CFO advised us that circulation of the performance report that was presented to the Strategy and Performance Board was a recommendation contained within the report. He also stated that reassurance could be taken from the work undertaken by the WAO to provide assurance that there were appropriate arrangements in place for the force to achieve VfM. The CFO queried if further information could be provided on the work undertaken by the WAO in order that they are satisfied that this this statement is met.

**WAO**

We clarified that the areas of VfM we considered were Force wide although did not involve the review of operational activity. The role of the JAC was to ensure there were appropriate policies and strategies in place to help achieve VfM and that they provided the best outcomes possible. We noted that it was not within our remit to scrutinise force performance as this was the role of the PCC. The DPCC advised that she was currently working with the Force and the Police and Crime Panel to ensure performance reporting was more transparent. This would also assist in providing assurance to the JAC.

The ACOR suggested that as the VfM profiles were due to be considered at the deep dive in December, he would ensure that they were presented alongside performance information to try and provide a rationale for the areas where Gwent was an outlier. He hoped that those areas identified as outliers without a rationale to support them

**ACOR**

would have already been identified within the FMS. The CC advised us that detailed performance information would need to be provided in order to assist the JAC's understanding and that it was important that this assurance was provided.

**Action**

**We noted this approach and agreed that no changes would be made to the ToR until the VfM discussion had taken place.**

## **RESERVES AND COMMITTED FUNDS STRATEGY**

17. We received and noted a report on the Reserves and Committed Funds Strategy.

The CFO informed us that the Home Office funding settlement for 2018/19 had maintained the level of funding provided during 2017/18 (otherwise known as flat cash funding). Assurances had been provided at the same time that the flat cash funding would also be provided for the 2019/20 financial year as long as PCC's could evidence that they had made efficiencies within their procurement processes and that they had been transparent in relation to the level of reserves they held.

The Home Office required PCC's to breakdown their reserves into three categories:

- General contingency;
- Utilised over current Medium Term Financial Plan (MTFP); and
- Utilised beyond current MTFP

We were advised that the Reserves and Committed Funds Strategy had now been updated to ensure we were fully compliant with the changes required by the Home Office. The CFO advised that once any comments raised at the JAC had been incorporated into the strategy, it would be presented to the PCC for formal approval and published on the OPCC website. We thanked the CFO for the updated report and were pleased to note that the PCC was fully compliant with Home Office requirements.

**The meeting was paused for lunch at 12.50pm for 20 minutes.**

**Mr C Fitzgerald, Ms T Veale, Mrs L Virgo, Ms H Boey and Mr J Williams left the meeting.**

## **SPONSORSHIP POLICY AND PROCEDURE**

18. We received and noted a report from the CFO on the Sponsorship Policy and Procedure.

The CFO informed us that the policy and procedure had now been combined into one document and was presented to the JAC in line with their ToR for any comments to be provided prior to finalisation and publication.



We queried if there was a bi-lingual force policy for all policy documents in line with Welsh Language Standards. We were advised that the OPCC and force shared a Welsh language translator who could be utilised to translate any documentation required. If a policy and/or procedure was public facing then consideration would be given as to whether translation was required in line with the Welsh Language Standards.

**Action**

## **JAC SELF-ASSESSMENT ACTION PLAN**

19. We received the JAC Self-Assessment Action Plan.

We noted that the action plan had been prepared by the HoAC, based on the results and subsequent discussions of the Self-Assessment exercise at the June meeting.

### **Number 2, Role of the JAC**

We queried if there had been any feedback from the PCP in relation to their attendance at a future JAC meeting. The HoAC advised that no definitive response had been received as yet. We requested that the PCP ToR was circulated for information.

**HoAC**

### **Number 4, Assurance Framework**

We noted that the Governance Assurance Framework audit had now commenced. We agreed that this action would be considered further once the final audit report had been received.

### **Number 4, Risk Management**

We stated that once per annum this area would be scrutinised in greater detail by taking the report at the beginning of the meeting. We agreed that this action was complete and could be removed from the action plan.

**GO**

### **Number 4, Value for Money**

We agreed that this action would be complete at the December 2018 meeting once the deep dive in relation to VfM had taken place.

### **Number 4, Counter-Fraud and Corruption**

The Anti-fraud and Corruption Policies for both the OPCC and the Force had been circulated to members. We agreed that this action was complete and could be removed from the action plan.

**GO**

### **Number 6, Plans in Place to Address Limited Areas**

We agreed that this action was complete and could be removed from the action plan.

**GO**

### **Number 16, Feedback on Performance of the JAC**

We noted that feedback on the performance of the JAC was provided via the annual 1-2-1 performance review process undertaken by all members. We agreed that this action was complete and could be removed from the action plan.

**GO**

**Number 17, Evaluation of the JAC Adding Value to the Organisation** **Action**  
We noted that there were a number of methods to evidence how the JAC added value to the organisation and were satisfied with this approach. We stated it was important for the PCC and CC to attend meetings as often as they could and provide direct feedback on areas being discussed. We agreed that this action was complete and could be removed from the action plan. **GO**

**Number 18, Action Plan to Improve Areas of Weakness**  
We noted that action plans were in place to address identified areas of weakness from the Self-Assessment process and the all Wales training days. We agreed that this action was complete and could be removed from the action plan. **GO**

**Comments 1-3, Self- Assessment Process**  
We agreed that this action would remain on the action plan until the comparison of the self-assessment forms used by other JACs was completed.

**Comments 5-7, Effectiveness of JAC**  
We noted that the JAC meetings were lengthy but agreed that there were no reports on the agenda that we felt could be removed. As such, we agreed that this action was complete and could be removed from the action plan. **GO**

**Comment 8, Mapping of Core Areas to Meetings**  
We noted that a mapping exercise against the ToRs was undertaken on an annual basis and provided as an appendix to our draft annual report. We agreed that this action was complete and could be removed from the action plan. **GO**

**Comment 9, Pictorial Representation**  
We agree that this action would be progressed once the Governance Assurance Framework Audit had been completed.

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

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

**ANY OTHER BUSINESS**

21. The following was discussed:

**a) Year End Tax Returns 2017/18**

The Chair informed us there had been a problem with the issuing of P60's as a result of the new finance system that had recently been implemented and requested that all members review their documents to ensure they were correct.

We queried whether this problem had also impacted staff members. The ACOR advised that some staff members had also been affected with Her Majesty's Revenue and Customs (HMRC) providing rebates as a result of the error. The staff affected had been issued with amended P60s and informed not to bank the cheques received. The ACOR stated he would ask the Head of Payroll to ensure that all JAC members were issued with amended P60s.

**Action**

**ACOR**

We queried if this issue had also resulted in receipts for reimbursement no longer being sent once expenses had been submitted. The ACOR would find out and feedback to members.

**ACOR**

### **b) Confirmation of Meeting Dates 2019**

We noted the meeting dates for 2019. We were advised that the following date needed to be amended:

- 31<sup>st</sup> July 2019 moved to 29<sup>th</sup> July 2019

A request was raised to review the meeting date in December 2019 due to other work commitments. The HoAC would consider changing the meeting date and would confirm any changes to all attendees via email.

**HoAC**

We noted that Mr Leadbeter may not be able to attend the all Wales training day in February or the JAC meeting in March due to previous commitments.

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

22. We noted that there were no additional risks that needed to be raised as a result of this meeting.

The meeting concluded at 1.40pm