
JOINT AUDIT COMMITTEE (JAC)

**Minutes from public meeting
held on 30 November 2017**

**JOINT AUDIT COMMITTEE
PUBLIC MINUTES**

Notes of the meeting held on Thursday 30 November 2017, Meeting Room 1.11
Lloyd House, Colmore Circus, B4 6NQ

Present:

Sue Davis	- Chair
Christine Barve (CB)	- Vice Chair
Mark Kenyon (MK)	- Chief Finance Officer- PCC
Jonathan Jardine (JJ)	- Chief Executive-PCC
Lynn Joyce (LJ)	- Internal Audit Manager – PCC
Cath Hannon (CH)	- Strategic Policing and Crime Board (SPCB) Member
Ernie Hendricks (EH)	- Strategic Policing and Crime Board (SPCB) Member
Waheed Saleem (WS)	- Strategic Policing and Crime Board (SPCB) Member
Gurinder Josan (GJ)	- Strategic Policing and Crime Board (SPCB) Member
Louisa Rolfe (DCC)	- Deputy Chief Constable
Neil Chamberlain	- Director of Commercial Services
Laurelin Griffiths	- Assistant Manager - Grant Thornton
Paul Grady	- Audit Lead - Grant Thornton
Kath Holder	- Organisational Learning & Risk Manager WMP
Ryan Howat	- Chief Inspector /Force Crime Registrar WMP
Mark Payne	- Chief Superintendent WMP
Keith Trivett	- Senior Accountant WMP
Plus note taker	

276	<u>Item 1 - Apologies</u> Apologies were received from Emily Mayne, Grant Thornton.
277	<u>Item 2 - Declarations on Interest</u> No interests were noted.
278	<u>Item 3 - Minutes of the last meeting</u> The meetings of the last public meeting were agreed. The minutes of the last private meeting were agreed.
279	<u>Item 4 – Matter Arising</u> There were no matters arising.
280	<u>Item 5 - HMICFRS Update</u> a. Crime Data Integrity (2017 report) Chief Inspector Ryan Howat presented the main points of the report: <ul style="list-style-type: none"> - The tracker has been updated with PCC's response - WMP has just completed an improvement plan in response to the CDI recommendations (2017) - Improvement plan has three strands; training, audit and governance - There will be continual assessment of the Force's Improvement plan

- The rating of the force as 'Inadequate' overall, with 16 per cent of crimes either unrecorded or incorrectly recorded which is a drop from 2014
- There will be continual assessment of the Force's Improvement plan
- The recommendation of no-recording will be re-enforced through the mandatory completion of the NCALT training package which is to be rolled out to all staff
- CST supervisors instructed to look at recording records e.g. HMIC improvements
- Not all Forces had domestic abuse audited as part of the assessment
- The Force has been asked to make rapid improvements, ensuring that safeguarding of victims is as robust as possible
- The Force has been asked to undertake their own audit to look at crime recording decisions
- Supervisors are to look at a number of cases each month in terms of crime recording.
- The results of supervisor audits will feed through to the Audit and Compliance Team for quality Assurance.
- Reports of results will be produced and feed through the Quarterly Performance Review
- The WMP CDI improvement plan will be managed through the Strategic Information Management Board (SIMB) chaired by the Deputy Chief Constable
- Progress against the improvement plan will be monitored quarterly through FLC
- Regular meetings are held with Ernie Hendricks and Alison Spence (PCC's Office)

Ernie Hendricks made the following comments:

- He fully understands what is going on and is happy with where they are at the moment
- He acknowledged that it will be a challenge to meet demand
- It will be interesting to see how HMICFRS are going to respond

Ryan Howatt said the most important thing is that crime is recorded accurately and in a timely manner.

The Chair said the report was very thorough and asked for it to be minuted that the Audit Committee was happy with the report and the way in which the Force and PCC had responded to the HMICFRS recommendations.

Jonathan Jardine mentioned that the PCC response paper that was circulated was a draft version. The final was to be circulated to Members (Done)

Kath Holder made the following comments regarding Force Management Statements:

- The process was in consultation at the moment
- The Force is looking at identifying demand
- Are there any comments the committee could make?

Jonathan Jardine said he expects the PCC will make a robust response.

The Chair asked that a report on the consultation results around Force Management Statements consultation be included on the agenda of the next meeting of the Committee.

b. Policing in Austerity – Meeting the Challenge (Valuing the Police)

Kath Holder went through the main parts of the report:

- 4 All Force recommendations were made
- Recommendations have since been superseded by PEEL inspections
- The recently received and updated list of recommendations from HMICFRS

	<p>shows that no further action is required by the Force in relation to the recommendations from this report</p> <ul style="list-style-type: none"> - These recommendations are now considered closed <p>HMICFRS Update</p> <ul style="list-style-type: none"> - HMICFRS consultation on Force Management Statements closes on 22 December - HMRCFRS found significant weaknesses in the police response to victims of domestic abuse - HMICFRS were in Force between 25 and 28 September conducting fieldwork for the PEEL Effectiveness Inspection - Will need to complete the first one by May next year <p>PEEL Inspections completed since the last meeting</p> <ul style="list-style-type: none"> - Abuse of position for a sexual purpose - Modern slavery and human trafficking - PEEL Efficiency report – all Forces recommendations - Progress report re domestic abuse – no recommendations <p>Waheed Saleem said that the response to ‘abuse of position for a sexual purpose’ was not robust enough.</p> <p>The DCC responded that this was being queried at the moment.</p> <p>Neil Chamberlain clarified the position with HMICFRS Value For Money Profiles. The version circulated to members contained errors that HMICFRS compiled for all Forces. The errors were not related to the WMP submission. Once received, the revised report will be circulated to Members. This will form part of the update report in March.</p>
<p>281</p>	<p><u>Item 6 - Risk Management Update, including Force Risk Register and OPCC Risk Register</u></p> <p>Mark Kenyon went through the main points of the PCC Risk Register:</p> <ul style="list-style-type: none"> - New risk added – Unauthorised Encampments - Updates will be given at the March meeting <p>The Chair said that unauthorised encampments are partly caused by the lack of appropriate sites, which is the responsibility of the local authority.</p> <p>Jonathan Jardine made the following comments:</p> <ul style="list-style-type: none"> - The PCC does not annually review the Police and Crime Plan - The risk register is based on our ability to achieve what is in the Police and Crime plan - The PCC can make amendments and additions to the plan and could for example make unauthorised encampments a priority - The PCC thinks that working with local authorities should be a priority and that transit sites should be in each area - The PCC will use his office to try to get local authorities to do this <p>Kath Holder went through the main points of the Force Risk Register:</p> <ul style="list-style-type: none"> - The next meeting of the Organisational Risk Board is due next week - There is nothing new to report - Communications continue through the Force Leadership Conference

	<p>The Chair commented that if new risks are added, it might be helpful for the Committee Members to see them for information given the next meeting is in March</p> <p>The Committee asked the following questions:</p> <ul style="list-style-type: none"> - Are you happy with the residual risks - one red and one changed to amber, plus child sexual abuse? (WS) - Can you give assurance about residual risk? (WS) - The residual risk shown here is current. Do you have a target of where you want the risk to be? (CB) - It's about understanding fully if there is more that can be done and would that reduce the risk? If not, then do we accept the level of risk? (CB) - At what point do we accept that this is a risk? (WS) <p>The Force responded as follows:</p> <ul style="list-style-type: none"> - Child sexual abuse residual risk is reviewed by Lisa-Marie Smith (Director of Legal Services). She is still happy that this is being looked at regularly (KH) - Would look at the assurance position but this was not something that would be discussed openly (KH) - The residual risk score is the position we see now. We do not have a set score for acceptance of risk, or a target in terms of a figure. When the Force Executive Team review the risk they will look at what more can be done to reduce it (KH) - Some risks are entirely out of Force control. They are all very different and difficult to define (DCC) <p>Waheed Saleem asked for an explanation of how confident the Force is on moving the information security risk from 16 down to 4</p> <p>Kath Holder responded as follows:</p> <ul style="list-style-type: none"> - When security was first on the register the Force was in a different position Information Management might say that this was not a red risk at that time - There were real concerns about the risks of key systems being switched off - A huge piece of work took place which put lots of improvements in place including more structure and formality around information management and security - An Information Assurance Working Group was established to address the risks - This is still on the register due to changes to the accreditation process <p>Waheed Saleem questioned whether the risk should be closed and a new risk log created to manage the existing risk around accreditations. If new standards are coming in this should be a new risk?</p> <p>The Chair said that it is the same risk, it's still about meeting the national standards but may need to look at wording to provide more clarification</p> <p>Christine Barve - Need to be clear on why this one has suddenly bounced back</p> <p>Kath Holder is happy that the risk is being managed. Found that lots of Forces were not accredited last year. No one was switched off.</p>
<p>282</p>	<p><u>Item 7 – Update on Pensions Data Issue from Grant Thornton Audit Findings Report</u></p> <p>Neil Chamberlain clarified that this was a national exercise not just affecting police forces, and lots of historical data will be changed.</p>

	<p>Keith Trivett went through the main points of the paper:</p> <ul style="list-style-type: none"> - The Force has already taken on an exercise around deferment - The Force has historically relied on external notifications around deceased pensioners - The team will seek to be more proactive in obtaining this information - A dashboard will be created so people can update their records - Pensions are working with payroll to be able to create data in a more robust way - Will aim to complete this work between now and March 2018. <p>Neil Chamberlain added:</p> <ul style="list-style-type: none"> - The Force will have a joint approach and will ensure both sides understand the issues - Regular meetings will be held - Some issues are straight forward – deferred pensioners – are they still alive? - Good practice to be established around current pensioners - One of the issues is that the report changes each time it is produced as it's based on information in a live system. In future a report will be run at the end of the year giving the position at that time. <p>Cath Hannon made the following comments:</p> <ul style="list-style-type: none"> - She was trying to get information about pensioners who were deceased - Reassurance about connection with the family <p>Neil Chamberlain said the Force is working on its connections with pensioners.</p> <p>Mark Kenyon made the following comments:</p> <ul style="list-style-type: none"> - He sits on pension's board, and this is an issue which comes up often - The complexities cannot be underestimated - A huge piece of work around reconciliation is currently taking place <p>The Committee made the following comments:</p> <ul style="list-style-type: none"> - The complexities are significant and will become more complex if the information is not cleansed properly (WS) - This was discussed during the last meeting and should be on the risk register for monitoring (CB) - It would be good to have an external update on this and to see what the risk has been assessed at (CB) - Would like feedback at next meeting (CH) <p>The Chair agreed that it would be good to have a report back on this so that the committee is clear on where the risk sits and an update on progress.</p> <p>Neil Chamberlain clarified that there is no indication that members are paid incorrectly.</p> <p>Paul Grady made the following comments:</p> <ul style="list-style-type: none"> - The report was very helpful - They would be looking to work with the Force to get that assurance
283	<p><u>Item 8 – Internal Audit Update</u></p> <p>Lynn Joyce presented the main parts of the paper:</p> <ul style="list-style-type: none"> - Since last meeting 6 audits had been finalised - 14 reviews have been completed to either final or draft stage for the period to 1st April 2017 to date (2 further reports have been finalised since the report to Committee was issued)

- Of the 98 audit recommendations followed-up during the year, 31 remain open. Internal Audit will continue to follow up progress on these.
- Since 2014/15 65 of the 127 recommendations have been followed up
- The KPIs for performance of the Internal Audit Team are broadly positive
- Progress in completing the agreed audit plan has been effected by a long term absence within the internal audit team
- Approval was sought from the Joint Audit Committee to defer some audits to the 2018/19 audit plan.

Ernie Hendricks acknowledged that Internal Audit was in a challenging position, but thought it may be unwise to take focus off the Force response audits.

Lynn Joyce responded as follows:

- An internal project was currently on-going for Force response and the work Internal Audit planned to do overlapped with that project
- The scope of the project is looking at the same thing, efficiencies etc.
- To avoid duplication Internal Audit should resume this work after that project has been completed, so Q3/Q4 2018/19

The DCC supported the postponement of the audit adding that it would be she who would report on the Force work.

The Chair asked for the level of resource days required for the Force Response audit.

Lynn Joyce responded as follows:

- Resource days were in the region of 15 days
- The project should end by May/June 18

The Chair responded as follows:

- This seems logical as there is still some work being done on Force Response
- The completion date was not ideal, but taking note of what is happening, this seems sensible

Ernie Hendricks made the following comments:

- He thought Tally Ho! should be graded as minimum
- He did not feel the framework was being adhered to

Lynn Joyce responded as follows:

- The Tally Ho! main sports and social club was well administered
- Internal Audit however have no jurisdiction over the local social clubs
- There are no material issues with the accounts for Tally Ho. The issues reported are isolated ones.

Christine Barve asked if this was the last year that they would be audited and Lynn Joyce responded that it was under the current arrangements.

Neil Chamberlain said that Lynn Joyce was right. There are some issues around the administration of the local clubs and the grants going forward.

The Chair added that Internal Audit were not formally responsible for Tally Ho! but audited them as a favour.

Cath Hannon asked whether scrutiny would need to be applied via a different formality.

	<p>The Chair responded as follows:</p> <ul style="list-style-type: none"> - Tally Ho! is independent, it would be their responsibility - There is a potential come back, but this is not public money <p>Waheed Saleem asked if there were any outstanding recommendations to be concerned about from the one's Internal Audit have followed up.</p> <p>Lynn Joyce responded as follows:</p> <ul style="list-style-type: none"> - There were some longstanding recommendations outstanding, e.g. energy conservation. These are already on the Committee's radar. - There are others which have been hampered by WMP/2020, but none that are currently causing major concern <p>The Chair asked whether there should be a formal process to review recommendations, e.g. write off recommendations that are no longer relevant.</p> <p>Lynn Joyce responded that there is a process, but it relies on being told when the process or systems have changed. If the recommendation is no longer relevant they will be reported to Committee as redundant.</p>
<p>284</p>	<p><u>Item 9 - External Quality Assessment Report for Internal Audit</u></p> <p>Lynn Joyce went through the main points of the report:</p> <ul style="list-style-type: none"> - There has been very good progress particularly over the past 12 to 18 months - There have been a lot of good changes and positive feedback - There are some recommendations made within the report for which an action plan has been prepared - An update on the action plan will be brought to the March committee to give reassurance that things are being addressed - An outline of on-going training and areas for progression will be incorporated into the 2018/19 Internal Audit Strategy <p>The Chair made the following comments:</p> <ul style="list-style-type: none"> - She was very pleased with the assessment - It was not the job of the external assessor to compare but she had a sense that the service had moved a long way and the team were very happy with the general direction which had been embraced enthusiastically <p>Ernie Hendricks made the following comments:</p> <ul style="list-style-type: none"> - Since Lynn Joyce started, the team seems slicker and more efficient. - The team were doing a brilliant job - Is the team integrated enough into the work of the main office? <p>Cath Hannon agreed with these positive comments.</p> <p>Both the DCC and Jonathan Jardine said it was important that audit remain independent to both the Force and the PCC's office.</p> <p>The Chair asked that the minutes reflect the hard work of Internal Audit.</p>
<p>285</p>	<p><u>Item 10 – External Audit – Annual Audit Letter PCC and CC 2016/17</u></p> <p>Paul Grady presented the main points of the report:</p> <ul style="list-style-type: none"> - It is a PSAA requirement to produce an annual audit letter - The letter does not contains anything new, and details have been previously presented

	There were no questions from the Committee
286	<p><u>Item 11 - External Audit – Audit Progress Report and Sector Update</u></p> <p>Paul Grady presented the main points of the report:</p> <ul style="list-style-type: none"> - The accounts are familiar with no surprises - A likely risk will be work on transferring data from the old financial systems to the new system and how to map it across - In terms of value for money; the area being considered to look at is WMP/2020 - Regarding residual risk – the financial / non-financial benefits and how these feed into the Medium Term Financial Plan over next 2 -3 years - Also the Police and crime plan delivery – and how the priorities of the Force and PCC are delivered. - The audit plan will be brought to the next committee meeting - It will be challenging meeting the deadlines, but this should not be a huge risk. <p>The Chair asked whether there are any penalties if the deadline is missed.</p> <p>Paul Grady responded as follows:</p> <ul style="list-style-type: none"> - In reality there are few penalties. It mainly affects a company's reputation - PSAA do a report and a company would end up on the list - They were unaware of any other consequences
287	<p><u>Item 12 - External Audit - Joint Audit Committee progress report on recommendations from the 2016/17 external audit</u></p> <p>Paul Grady went through the main points of the report:</p> <ul style="list-style-type: none"> - They were not proposing to discuss the follow up - Findings and recommendations were there for the Force - They do not propose to formally follow up any recommendations <p>There were no questions from the Committee.</p>
288	<p><u>Item 13 - Anti-Fraud & Corruption Annual Effectiveness Review / Investigations Update from Professional Standards</u></p> <p>Mark Kenyon went through the audit section of the paper:</p> <ul style="list-style-type: none"> - The purpose of this report is to update the Joint Audit Committee on the effectiveness of the Anti-Fraud, Bribery and Corruption Policy of the PCC and the Force - The policy will be reviewed during 2018/19 and a revised version will be brought back to Committee for review next year - So far no instances of fraud have been identified through Internal Audit work. <p>Mark Payne went through the main items of the PSD aspects of the report:</p> <ul style="list-style-type: none"> - The report is mainly good news - One person had been dismissed due to external fraud around benefits - A fraction of the information received is around fraud - He does not think that there is a huge amount of fraud in the organisation - The main issues were low level crime i.e. officers clocking off early or supervisors telling people to go home early when they should be at work - Between September 2016 and November 2017 only 11 reports have been received (as recorded on Centurion) <p>PSD prevention work includes:</p>

	<ul style="list-style-type: none"> - PSD have instituted an annual integrity health check where supervisors speak to staff around issues such as financial problems or breakdown of relationships - Training to student officers where standards of behaviour is discussed - Dilemma of the month is around ensuring that officers understand where the lines are. <p>The Chair made the following comments</p> <ul style="list-style-type: none"> - Were the dilemmas aimed at anyone? - 11 investigation reports is an incredibly low amount <p>Mark Payne clarified the process for dilemma of the month providing examples.</p> <p>There were no questions from the Committee.</p>
289	<p><u>Item 14 - Joint Audit Committee Work Plan 2017/18</u></p> <p>The Joint Audit Plan was attached for information purposes only.</p> <p>The Chair informed the group that Joint Audit Committee meetings will return to the 9.30 am start time</p>