
JOINT AUDIT COMMITTEE (JAC)

**Minutes from public
meeting held on 27
September 2018**



**JOINT AUDIT COMMITTEE
PUBLIC MINUTES**

Notes of the meeting held on Thursday 27 September 2018, Meeting Room LH G2
Lloyd House, Colmore Circus, B4 6NQ

Present:

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| Sue Davis | - | Chair |
| Mark Kenyon (MK) | - | Chief Finance Officer- PCC |
| Lynn Joyce (LJ) | - | Head of Internal Audit – PCC |
| Gurinder Singh Josan | - | Strategic Policing and Crime Board (SPCB) Member |
| Waheed Saleem (WS) | - | Strategic Policing and Crime Board (SPCB) Member |
| Louisa Rolfe (DCC) (part) | | Deputy Chief Constable |
| Neil Chamberlain | - | Director of Commercial Services - WMP |
| Paul Grady | - | Grant Thornton |
| Emily Mayne | - | Grant Thornton |
| Kath Holder | - | Organisational Learning & Risk Manager WMP |
| Parmila Dadra | - | Principal Auditor - PCC |
| Richard North | - | Superintendent |
| Nick Walton | - | Superintendent |

Plus note taker & webcaster

324	<u>Item 1 - Apologies</u> Apologies were received from Cath Hannon, Ernie Hendricks, and Christine Barve
325	<u>Item 2 - Declarations on Interest</u> No interests were noted.
326	<u>Item 3 – Minutes of the last meeting:</u> The minutes of the June JAC were agreed as a true record. Final Minutes of June JAC Minutes of the 26 July Extraordinary Meeting were agreed as a true record. Minutes of the Extraordinary Meeting
327	<u>Item 4 - Matters Arising</u> There were 2 matters arising: a. Publication of Statement of accounts Mark Kenyon informed the meeting that both sets of accounts were on the respective websites. b. Information Security Risk – Kath Holder gave an update - Information security risk has now been archived on the corporate risk register. - It is a well-managed risk. - Most of the actions are completed and plans are in place for the incomplete actions. - Force Exec are comfortable that the risk was being managed and were happy to archive.

Item 5 - HMICFRS Update

Kath Holder gave overview of the paper. [HMICFRS Update](#)

The Committee made the following comments:

- Use of resources was marked as requiring improvement on the previous inspection. It seems unusual that it will not be inspected in the coming inspection. (WS)

Kath Holder responded as follows:

- It is unusual for areas requiring improvement to be rolled over, but the inspection team recognised that WMP in their force management statement have recognised that there are challenges in terms of resources, and it would be odd to re-inspect given that the position was going to remain the same.
- The Force is comfortable that plans are in place to work through the challenges.

Neil Chamberlain made the following comment:

- Given the choice, the Force would prefer that the inspection team came in.
- Actions taken, and progress being made were highlighted in the statement.
- It would be good for them to come in next year to follow up on the progress which is being made.

The committee made the following comments:

- The force management statement has used interesting methodology to do inspections based on risk. If an area was previously assessed as a high risk, it would seem sensible to re-inspect this area during the next inspection to allow the Force to demonstrate what they are doing in these areas. This may be something which needs to be raised at a more strategic level. (WS)

Jonathan Jardine made the following comments:

- The core findings when inspectors were here was that the counter terrorism threat was at critical and that there was an extraordinary spike in the summer demand, and the finding was that the Force does not have enough resources to manage the demand that it is facing.
- The implication of the phrase 'requires improvement' implies that the Force is not using its resources well. The findings were not that the Force was inefficient, but that there was so much demand, with so much resource being diverted to other activities, therefore the Force was under stress. This was reflected in the FMS.

The Chair made the following comments:

- The implications of the findings do suggest the resources are not being used efficiently. If the findings was that this Force does not have enough resources to deal with the demands it is facing, nobody would disagree.
- It is worrying, as the Force has always been extremely good and extremely well rated, so this impacts on reputation and morale of Force and to such an extent that you would have wanted them to come back and correct.

Kath Holder responded as follows:

- This year the Force will get gradings in the following areas: effectiveness, efficiency and legitimacy – giving 3 overall gradings.
- All 3 gradings will be produced at the same time. So the public will get a clearer of view of where the Force is.

Modern Slavery

Superintendent Nick Walton presented the main points of the report.

The Chair made the following comment:

- Regarding the point on victims disengaging with the investigation, is it possible to

adopt a similar approach as in the domestic violence report and seek to pursue a case even when the victim is not willing to engage?

Nick Walton responded as follows:

- The Force is looking to take the stance from the beginning that they will not get victim support. This was reflected in the HMIC findings of 2017.
- The Force is looking at every opportunity it can with the aim of disrupting the criminal activity but there is probably more work which can be done.
- The Force is looking at creating a West Midland's slavery and trafficking hub so all investigations will go through one route and capture tactical information.

The Committee asked the following Questions:

- All recommendations are currently open, but now appear to be near closure. Can you give any indication of when they will be complete? (GSJ)
- Even though there are time indications around all the recommendations, is it sensible to keep them open? (GSJ)
- Regarding partnerships being developed, you can in certain circumstances prosecute a perpetrator without a victim coming forward, but this is restrictive. There are other ways to prosecute without using victims of police approach. (WS)

Nick Walton responded as follows:

- The Force would value an independent view and will wait until next year's inspection before making decisions on closing recommendations.
- Confident as lead that significant progress has been made.
- Whilst the Force is still on a journey, there are still some tensions around how cases are investigated, so it is sensible to keep the recommendations open until the next inspection takes place. It feels premature to close them at this time.
- We will need to get better at mapping and identifying those individuals who are exploiters. We now have defined group of partners coming around the table on monthly basis to look at information and intelligence. There is some work ongoing with GLAA at car washes as this is a national issue.
- The Force cannot tackle these issues singularly and will be relying heavily on partners and work is far more joined up.

The Chair made the following comments:

- It seems wise to have progress verified as this would give confidence.
- Committee will not come back to this subject until it had been re-inspected.
- The Chair thanked Superintendent Walton for the report.

Domestic Abuse

Superintendent Richard North gave an update on the outstanding recommendations.

The Committee asked the following questions:

- Looking at the first recommendation and the change in being able to look at different sections of information recorded in DASH rather than that given by victims. Is this an easy option? (GSJ)
- Could the adjustments made to the DASH assessments have affected the quality of what is recorded and have a knock on effect on the investigation? (GSJ)
- Are you seeing a pattern of people reporting domestic violence who are using it as a means for something else? (WS)
- Will things like DDI and other mechanics allow you to become more intelligent at identifying potential perpetrators who are potentially high risk allowing partners to intervene? (WS)
- What data do you collect in respect DVPNs and DVPOs in terms of trends and effectiveness over period of time? (GSJ)

Superintendent North responded as follows:

- The information on the DASH app is done with victims so the responding officer may arrest the offender, then sit with victim to complete the DASH assessment.
- The app reduces the need for another form to be filled out. On completion it is electronically connected with the crime report and goes straight into system. It allows us to drive officer performance.
- Officers are now directed to record what they hear when they attend the scene in order to build a bigger picture, even if the victim doesn't engage in the process.
- With the app we can look at why victims are not engaging, and at whether the officer could have done more to get the victim to engage, e.g. the attitude of the officer can be looked at.
- The majority of people report domestic violence after they have suffered long periods of abuse. There are times when people abuse the system to resolve complex issues within their family, but the majority of victims are genuine.
- We are moving away from talking about domestic violence as physical assault and visible injury. Non-violent abuse can have a toxic effect on people's lives and this is being developed by college of policing in the risk assessment.
- Regarding effectiveness of DVPNs and DVPOs, the reason we would pursue these is if there is an ongoing risk to a victim that we can't protect via other means. It gives us a window of 28 days to reduce the risk. Going forward we are reporting data around these more accurately.

The Chair asked whether the Force was expecting a re-inspection in future.

Kath Holder advised that domestic abuse is featuring as a strand in the Integrated PEEL Assessment and the force liaison lead will be looking a previous recommendations to understand how close the force is with closing some of them off. This will form part of the November inspection.

The Chair made the following comments:

- Committee will not come back to this subject until it had been re-inspected.
- This is a very helpful summary of the progress being made.

329 Item 6 Risk Management Update, including Force Risk Register and OPCC Risk Register

Force risk register

Kath presented the main points of the paper [Risk Management Update - Force](#)

The Chair said that the risks had been clearly described in the paper.

The Committee asked the following questions:

- Are you confident that the disclosure controls currently in place are sufficient for the risk to be downgraded and that mitigation enables this risk to be moved to amber? (WS)
- One of biggest risks is around data disclosure and abstracting the relevant data and not clear how this is being mitigated from comments included. How are handheld devices being mitigated? (WS)

Kath Holder responded as follows:

- There is a lot of scrutiny and strict governance around disclosure. Detective Superintendent Mark Payne is tactical lead for this area and brings a lot of understanding around disclosure issues.
- There are tactical meetings within FCID and PPU to review investigations to make

	<p>sure all disclosure requirements are being met and understood.</p> <ul style="list-style-type: none"> - West Midlands Police is carrying out scrutiny work in-house as there are delays in the national work and they do not feel it appropriate to wait for some of this work to be in place. - The risks are written by the ACC and tactical lead who manage the disclosure, around their concerns. - In terms of digital capture and data extraction the Force has undertaken a lot of work in this area. There is a project in the New Ways of Investigating programme looking at this. New kiosks are in place around the force to do more fast time capture of data and being able to extract data from devices - There is increased capability around this, so the Force is comfortable with the risk around this. <p>The Chair suggested that if the level of this risk has not moved by the time of the next meeting, it would be good to look at this risk in more detail, and would ask the Force to give more detail and the working lead be invited to the meeting.</p> <p>Neil Chamberlain responded as follows:</p> <ul style="list-style-type: none"> - This is still a work in progress. The Force was aware that this is a very serious risk, and it will be recommended that FCID give a more detailed update. <p>Lynn Joyce made the following comment:</p> <ul style="list-style-type: none"> - There is currently an audit underway on disclosure which will be picking up on some of the areas discussed i.e. digital evidence, and how the Force is working closely with CPS. The outcome will possibly be reported at the next meeting. <p>The Committee asked the following questions:</p> <ul style="list-style-type: none"> - What risk assessment has been made around the hosting of the Commonwealth Games? (GSJ) <p>Kath Holder responded as follows:</p> <ul style="list-style-type: none"> - The Force is very much sited on the Commonwealth games. - Lots of preparation is taking place, but it has not yet been flagged as a risk that needs to be managed on the corporate risk register. - This may change during planning stages. <p>The Chair made the following comments:</p> <ul style="list-style-type: none"> - One of the new risks had not yet been appointed a working lead. Can it this be flagged once a lead has been appointed.
	<p><u>PCC risk register:</u></p> <p>Mark Kenyon presented the paper. Risk Management Update - PCC</p> <p>The Chair asked whether the Force and the PCC's were using the same scoring matrix.</p> <p>Mark Kenyon responded that the PCC used a 5 x 5 matrix. He was unsure about how the Force matrix worked.</p> <p>The Chair suggested a meeting to discuss this as it would be helpful to know if it would make sense to use the same matrix, making it clearer for members and anyone external looking at it.</p> <p>Jonathan Jardine made the following comments:</p>

	<ul style="list-style-type: none"> - Both registers are trying to do different things. The PCC's register is based on the Police and Crime Plan, although there are objectives which are not in the plan which have been added to the register. - Can certainly look at score matrixes to understand the approach which the Force is taking. <p>Mark Kenyon made the following comments</p> <ul style="list-style-type: none"> - The matrix is structured in a methodical way around the delivery of the Police and Crime plan. - It is structured to show risks, objectives and proposed solutions.
330	<p><u>Item 7 Internal Audit Update:</u> Parmila Dadra presented the report: Internal Audit Update</p> <p>The Chair made the following comment:</p> <ul style="list-style-type: none"> - Some of the issues with first audit where limited assurance was given had already been explored earlier in the meeting. <p>The Committee asked the following questions:</p> <ul style="list-style-type: none"> - It is good to note two substantial assurances. Are there any lessons to be learnt by other parts of the organisation about are they are managing controls and the principles of putting systems in place? (WS) - Regarding uniformed managed service, is there another risk in that someone could take a uniform and impersonate an officer? <p>Lynn Joyce responded as follows:</p> <ul style="list-style-type: none"> - There was one covert fund audit that received reasonable rather than substantial assurance. The weakness identified was around management control checks, which have come out as a common theme in the past particularly around financial systems. We do take good practice from audits and try to embed these into other processes through the recommendation process. - The audit of NUMS focussed on a new contract ordering process. The audit did not look at the back end, i.e. when a uniform is disposed of, but it can certainly be looked into and findings reported back to the committee. <p>The Chair made the following comments:</p> <ul style="list-style-type: none"> - There have been several instances of uniforms arriving at site but never reaching the intended person/place, this implies a risk. <p>Neil Chamberlain responded as follows:</p> <ul style="list-style-type: none"> - There is a set process for returning kit as an officer leaves - WMP went live with the National Uniform Managed Services in September 2017. There were a few challenges to begin around supply availability, increased recruitment – large swell of supply and demand. - Uniforms are currently delivered to secure key points around the Force with access to officers only. Because of demand initially, lots of deliveries to single points, and there is potential that officer took the wrong kit. This was for short period of time. - Lessons have been learnt from when this was not the case and a lot of processes have been put in place around the access points, signage etc. <p>The Chair made the following comments:</p> <ul style="list-style-type: none"> - It seems like an assumption is being made that uniform has actually arrived at the site and another officer is using it. It is not clear from the report how many uniforms are missing, and without the specifics, this feels worrying without knowing scale.

	<p>Lynn Joyce responded as follow:</p> <ul style="list-style-type: none"> - It is difficult to quantify the scale. I do not think this is a big issue, but cannot currently confirm this. - It is an issue that can be looked at next time in terms of trying to quantify this. - All officers have a quota of uniforms allocated to them so there is not a risk around officers continuously ordering uniforms without being monitored. <p>The Committee made the following comments:</p> <ul style="list-style-type: none"> - There is significant risk here. Not that a uniform is missing, but that it may not be with an officer. There is more than one access point, and no central oversight of items coming in and going out. There is also a financial risk if kit is not located and then needs to be reordered. (WS) <p>Neil Chamberlain responded as follows:</p> <ul style="list-style-type: none"> - My Services Portal is developed so that officers can only order kit via the portal. There are controls on what they can order, and it is the officer's personal responsibility to ensure that that they receive what they have ordered and only they are using the kit when it arrives. - I don't see this as a significant risk. Good time to do a follow up looking at these issues and what action has been take, we have a lot better management information and it would it be useful for this report to come back to the committee. <p>The Chair made the following comments:</p> <ul style="list-style-type: none"> - Without knowing the scale of the issue, there are uniforms which were ordered, paid for and arrived but we do not know where they are. - I would like a report around the scale of lost uniforms which identifies where they are. <p>The Committee asked the following question:</p> <ul style="list-style-type: none"> - A significant number of recommendations have been outstanding for quite a while, and only a few have been updated recently. What is the management protocol around these? (GSJ) <p>Lynn Joyce responded as follows:</p> <ul style="list-style-type: none"> - Following each audit, there is a follow up in six months, then another one in 3 months if necessary. - Most of these will have been followed up in the last 3 months, and if not, will be in the process of being followed up. - We have gone through a number of these and know that management is working on them as they have had recent conversations. - Occasionally the follow up may slip by a couple of months due to system issues. - If someone informs internal audit that a recommendation has been implemented, it will not be closed until evidence is seen.
331	<p><u>Item 8 Treasury Management Update</u> Mark Kenyon went through report. Treasury Management Update</p> <p>The Committee asked the following questions:</p> <ul style="list-style-type: none"> - Should we be continuing to invest in local authorities, given their exposure to bankruptcy? (WS) - We could gain more with more prudent investments which would allow us to bring in more income without the need to borrow. We could then fund other tactical developments (WS). <p>Mark Kenyon responded as follows:</p>

	<ul style="list-style-type: none"> - In terms of local authority issues, we watch closely what is happening. Local authorities cannot go bankrupt so they will honour the investments. We are confident those investments are secure. - We rely on the treasury advice asset services to provide robust advice. - There are specific principles in terms of our investment around assurity that money will come back. <p>The Chair asked the following question:</p> <ul style="list-style-type: none"> - There are some local authorities where return is significantly higher. Are our investments one off opportunities? <p>Mark Kenyon responded as follows:</p> <ul style="list-style-type: none"> - Circumstances need to be set for local authorities and their need at the time. <p>Jonathan Jardine brought the following to committees' attention:</p> <ul style="list-style-type: none"> - It is the Combined Authority's intention to assume responsibility for WMP. - This is speculative at the moment, but he is aware that they are subject to different borrowing protocols than the police force. - There is a borrowing cap on local authorities. - There would be negotiation with the treasury to see what the borrowing cap would be. If it is not revised there would a significant impact. <p>The Chair asked whether this featured in the risk register, and Mark Kenyon responded that it was currently low risk.</p> <p>The Chair responded that this would be added to the agenda when she meets with the PCC in October.</p>
<p>332</p>	<p><u>Item 9 Anti-Fraud, Bribery and Corruption Policy</u> Mark Kenyon presented the main points of the paper: Anti-Fraud, Bribery and Corruption Policy</p> <p>The Chair clarified an error in the 4th paragraph - The word should be 'illegal,' not 'legal.'</p> <p>The new policy was noted and accepted.</p> <p>The Committee asked the following question:</p> <ul style="list-style-type: none"> - Will the three points mentioned in terms of JAC responsibilities be coming to the next JAC meeting? (GSJ) <p>Mark Kenyon responded that this would be in the report.</p>
<p>333</p>	<p><u>Item 10 - External Audit - Progress Report and Sector Update</u> Emily Mayne went through report External Audit - Progress Report and Sector Update</p> <p>The Committee asked the following questions:</p> <ul style="list-style-type: none"> - Concerned about issues around deliverables and deadlines and the final comment about additional fees. At the last meeting the understanding was you had all information required for sign off, but now it appears you did not meet the deadline. What lessons have been learnt, what were the issues, and how will you resolve so that there is a clean process for next year? (WS) - Do we need to have an independent review of the audit process so the Committee

can be assured that we have systems in place going forward for a clean audit next year? (WS)

Paul Grady responded as follows:

- The issues were mentioned at a previous committee meeting i.e. the new IT system and the valuation of assets.
- It is not unusual that issues arise with new systems. This was also mentioned at the previous meeting.
- Valuation of assets not changing their value was previously discussed. Then valuation was received towards the end of July suggesting there was material movement, which requiring changes to accounts.
- Opinion was signed late, but it was a combination of late reporting and the new system which were previously mentioned.

The Chair responded as follows:

- These issues were mentioned at the JAC in June, but not at the extraordinary meeting. It is not a huge issue, but sounds quite dramatic with the language in the later report, i.e. removing people from site.
- I am looking for assurance that although there were difficulties, it was not about tensions in relations being under stress.

Paul Grady responded as follow:

- My recollection from the last meeting was we were aiming for 31 July but that it may be late by a few days.
- All of the facts were mentioned in final audit report. This report is minor in terms of update.

The Committee made the following comments:

- I am concerned about the language which is used pertaining to the movement of staff. I would like to know what this language is indicating. (GSJ)

Paul Grady responded as follows:

- At the interim we were not able to get the information needed partly due to the new finance system. Rather than staying and incurring costs, it was agreed with the finance team that we would rearrange the visit.
- This was also done during the final accounts process.
- This was all in the previous report.

The Committee made the following comment:

- From our perspective, this wording when used in an audit report can be quite dramatic. (GSJ)

Paul Grady responded that the statement is factual.

Chair said she is accepting what happened but was concerned about how it read.

Paul Grady responded that he would accept the feedback.

The Committee made the following comment:

- We need to understand that lessons have been learnt, that this will not happen again, and that relationships are good. (WS)

Neil Chamberlain responded as follows:

- We were aware that things were going to be tight.
- The change over to the new system has been a challenge.

	<ul style="list-style-type: none"> - Going forward, we will be working a lot closer with external audit to enable us to satisfy their requirements. - We are meeting with Mark Kenyon to look at issues. - We are confident that the proper controls are now in place. - Emily Mayne will be doing a workshop with the audit and finance teams. - A new accountant was leading on the final account this year. This is the first time she has done this with the new system. <p>Paul Grady responded as follows</p> <ul style="list-style-type: none"> - This is not a case of a relationship breaking down. - It was more about deadlines changing and the challenge of the new system.
334	<p><u>Item 11 - External Audit - Joint Audit Findings Report (Final for information)</u> <i>External Audit - Joint Audit Finding Report (final for information)</i></p> <p>This item was incorporated into the item above – no further comments from Committee</p>
335	<p><u>Item 12 - External Audit – Annual Audit Letter</u> <i>External Audit - Annual Audit Letter</i></p> <p>Paul Grady went through the report.</p> <p>Noted – The Committee was happy with the report.</p>
336	<p><u>Item 13 - External Audit – KPI Outcomes 2017/18</u> <i>External Audit - KPI Outcomes 2017/18</i></p> <p>The Chair requested the report be circulated to members and management for comment, with a view to discussing performance in more detail at the next meeting.</p>
337	<p><u>Item 14 Joint Audit Committee Work Programme</u> <i>Joint Audit Committee Work Programme</i></p> <p>The matter of follow up information on uniforms is to be added to the December agenda.</p>
338	<p><u>Item 15 - Annual Private Meeting with Auditors – Internal Audit</u></p> <p>This section of the meeting was not minuted.</p>

The meeting ended at 12:02