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# **JOINT AUDIT COMMITTEE (JAC)**

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**Minutes from  
Extraordinary Meeting  
held on 25 July 2019**

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**JOINT AUDIT COMMITTEE  
Extraordinary Meeting**

Held on Thursday 25 July 2019, 11.30 am, Meeting Room 8.4  
Lloyd House, Colmore Circus, B4 6NQ

**Present:**

Sue Davis	- Chair
Christine Barve	- Vice Chair
Lynn Joyce	- Head of Internal Audit
Cath Hannon	- Strategic Policing and Crime Board (SPCB) Member
Ernie Hendricks	- Strategic Policing and Crime Board (SPCB) Member
Gurinder Singh Josan	- Strategic Policing and Crime Board (SPCB) Member
Neil Chamberlain	- Director of Commercial Services (WMP)
Abi Preston	- Senior Accountant (WMP)
Emily Mayne	- Engagement Manager, Grant Thornton

<b>1.</b>	<p><u>Item 1 - Apologies</u> Apologies were received from</p> <ul style="list-style-type: none"> <li>- DCC Louisa Rolfe (WMP),</li> <li>- Davinder Jagpal (WMP),</li> <li>- Jonathan Jardine (PCC),</li> <li>- Mark Kenyon (PCC), and</li> <li>- Paul Grady (Grant Thornton).</li> </ul>
<b>2.</b>	<p><u>Item 2 – Declarations of interests</u> No interests were declared.</p>
<b>3.</b>	<p><u>Item 3 – Joint Audit Findings report</u> As the paper was circulated two days prior to the meeting, the Chair asked the external auditor to give a fuller introduction than usual.</p> <p>Emily Mayne went through the main points of the paper.</p> <ul style="list-style-type: none"> <li>• Work is now substantially complete and thanks were given to the finance team as the process had been much smoother than the previous year. Abi Preston and Davinder Jagpal in particular were thanked for their support.</li> <li>• This year the Financial Reporting Council required additional testing on large estimates in property, plant and equipment and the pension liability. Some are still going through the review process but nothing has been identified to date that would require a material amendment to the accounts.</li> <li>• The property valuation was provided at 31/12/18. Further confirmation is required from the valuer that there is no significant change in the valuation as at 31/3/19.</li> <li>• The asset register currently doesn't allow a split of revaluations. This is an accounting technicality and it is suggested the PCC looks at this next year.</li> <li>- The revised figures from the actuary as a result of the McCloud ruling have been reviewed with no concerns identified. The Actuarial information on the impact of</li> </ul>

the Guaranteed Minimum Pension ruling was also reviewed and there are no material misstatements in the accounts now.

- Ernie Hendricks asked whether the confirmation requests from third parties (page 13) are vital.

Emily Mayne clarified that evidence directly from 3<sup>rd</sup> parties is the best evidence for auditors. Auditors can write directly to the banks for confirmation of balances, or alternatively they can observe someone logging-in to the banking system and showing the bank balance as at 31<sup>st</sup> March.

- Guringer Singh Josan asked if not showing the split in revaluations (page 7) is something to be concerned about as the report states 'This results in the PCC accounts not complying with the Code.'

Emily Mayne confirmed that this is more a formality. Whilst the report states this doesn't comply with the Code, this doesn't affect their ability to give an opinion.

- The Chair noted that the valuation was taken on 31/12/18 but auditors want to know the valuation at 31/3/19 and that this appears a duplication of effort

Emily Mayne explained that in the past valuations were received at 31<sup>st</sup> December and Auditors did their own reasonableness assessment. The Financial Reporting Council have change their requirements and now require the valuer to give an assessment as at 31<sup>st</sup> March.

Emily went on to discuss the Value For Money aspects of the report:

- Devolution – governance discussion were tracked through the Board papers and arrangements were appropriate. No risks were identified
- Financial Strategy and Long term Sustainability – The Force worked hard to take on the transformation programme and have looked to use reserves in the best way possible. The arrangements in place are sufficient to go forward as a financially stable organisation in the medium term.
- Risk Management – Thanks were given to Kath Holder who has been very helpful throughout the review. The scoring mechanisms between PCC and Force differ. This has already been recognised by JAC and training is being arranged for JAC members in September.

- The Chair commented that the scoring methodology has been raised previously by JAC and it is good to see it has been reported on.
- Cath Hannon recognised that whilst DCC Rolfe sits on JAC, some of the JAC members also bring their perspective operationally. With Waheed Saleem no longer being on the Committee and Cath on travels, how will JAC get oversight of WMP2020 risks?

The Chair requested this be included on the risk agenda for the next JAC meeting.

- Cath Hannon questioned whether there is any value in having one common scoring methodology for the Force and PCC.

The Chair confirmed that would need to be referred to the PCC and Chief Constable to consider.

Neil Chamberlain felt consistency between the two would make sense but would need to get the Organisational Learning and Risk Manager's (Kath Holder) view.

- Gurinder Singh Josan referred to the table on page 20 regarding council tax funding and commented that in terms of VFM the risk is much higher when it comes to central government funding impacting on the Force. He felt it would be helpful to recognise this in the narrative.

Emily Mayne confirmed that setting the precept is not something Grant Thornton can comment on.

- Gurinder Singh Josan responded that it's about recognising the reality of being the 2<sup>nd</sup> lowest precept presents much higher risk as we're dependent on Central Government funding / Grants.

Cath Hannon requested that the compliments received from Grant Thornton were passed onto Kath Holder. NC agreed to do this.

Emily Mayne highlighted the reduction in fees for 2018/19 (page 37).

Ernie Hendricks complimented Grant Thornton on their report.

Neil Chamberlain confirmed that the process this year has been much smoother and both Grant Thornton and Finance have been working well together which has achieved a good outcome.

The Chair thanked Grant Thornton and the Force and PCC's finance teams for their work to get to this position.

Meeting ended 12.20