
JOINT AUDIT COMMITTEE (JAC)

**Minutes from public
meeting held on
25 March 2021**



**JOINT AUDIT COMMITTEE (JAC)
PUBLIC MINUTES**

Notes of the meeting held on 25th March 2021 at 9:30am.

Present:

Sue Davis	:	Chair
Richard Hollands	:	Vice Chair
Cath Hannon	:	Board Member
Gurinder Singh Josan	:	Board Member
Jonathan Jardine	:	Chief Executive – PCC
Mark Kenyon	:	Chief Finance Officer - PCC
Lynn Joyce	:	Head of Internal Audit - PCC
Vanessa Jardine	:	Deputy Chief Constable
Neil Chamberlain	:	Director of Commercial Services - WMP
Harry Barton	:	Head of Strategy and Direction - WMP
Iain Murray	:	External Audit – Grant Thornton
Laurelin Griffiths	:	External Audit – Grant Thornton
Rachel Jones-Burns	:	Inspector - WMP
Ravi Lakhani	:	Head of Financial Accounting and Tax - WMP

460	Item 1 - Apologies The Chair welcomed everyone to the meeting. An apology was received from Board Member Brendan Connor.
461	Item 2 - Declarations of Interest There were no declarations of interest raised.
462	Item 3 – Minutes of the last meeting The considerations and questions of the previous meeting held on 7 th January 2021 were agreed as an accurate record of proceedings.
463	Item 4 - Matters Arising There are no matters arising.
464	Item 5 – Risk Management Update, including Force Risk Register and OPCC Risk Register <i>Presented by Harry Barton and Mark Kenyon.</i> The report was circulated in advance of the meeting and therefore Harry Barton and Mark Kenyon highlighted the key points from this report: <ul style="list-style-type: none"> • The report focuses on the Police and Crime Plan, including the Emergency Chapter emerging from the pandemic.

- The 12 highest risks are included in the report based on a scoring system; 31 risks are displayed throughout the Risk Register in total.
 - The register was recently reviewed by senior management within the OPCC, and there has been no significant change since December 2020.
 - The risk concerning resources was updated for 2021/22, setting the assumptions around costs and funding whilst reflecting reserve management.
 - Crime levels have started returning to those before the pandemic.
 - Domestic Abuse levels have increased. We care also aware of the demand and pressure on the Criminal Justice System. This has again started to slow due to the recent lockdown.
 - There is also a significant risk regarding youth unemployment. The kick-start programme and general recruitment campaign is aiming to resolve this matter.
 - The Police Officer Uplift programme is running successfully.
 - The Fairness and Belonging Plan has been developed in conjunction with the Force, aiming to increase the diversity of the Force.
 - The level of risks have fluctuated throughout the Force's Register, however there are no new corporate risks. Instead, further detail has been added to previous risks in terms of mitigation.
 - Progress is being made on the signature estate developments, such as Park Lane.
 - Vulnerability remains the Force's top risk.
 - Work has been completed on Non-emergency demand over the previous six months, resulting in improvements in response times.
- Richard Hollands highlighted that risks have shown little movement on the Register, despite the period of change being reported. How do risks enter and leave the Risk Register?

Mark Kenyon responded that the risks which have been discussed are considered to be the most important within the previous six months, which were also considered by Committee in December 2020 and seen as ongoing issues. The medium term Financial Plan has seen the most significant change as part of the budget, becoming a mitigation rather than a risk.

In terms of risks entering and leaving the Register, these reflect the societal and economic changes and issues arising throughout the year, along with the implementation of the Police and Crime Plan and the day to day operations of both the OPCC and the Force. Mark also highlighted that the top 12 risks are emphasised within the report, and that all 31 risks are actively managed. Certain risks have fallen significantly over recent times, where risks have become mitigated.

The Chair highlighted that Board Members have previously undertaken a workshop in order to understand the Risk Register process in detail and that this would be something that any new committee would want some induction on.

- Gurinder Singh Josan questioned the intention of the Emergency Chapter in response to the pandemic as business starts returning to normal.

Mark Kenyon responded that the OPCC will be developing a new Police and Crime Plan when the next Police and Crime Commissioner (PCC) is elected. The plan will consider all of the issues that have emerged since the pandemic, and the changes of practice that would be beneficial to maintain moving forward. Further, the implications of the pandemic towards policing will be featured within the Police and Crime Plan, and should also be included within the Risk Register. The Register will be altered significantly in order to reflect the new Plan.

Jonathan Jardine added that even though the statutory functions of the PCC role remain the same, PCC candidates have different views on how to hold the Force to account and exercise strategic direction if elected.

- Catherine Hannon referred to the Force's Risk register and raised the following points:

- Risk 40 - due to the large increase in the reporting of hidden crime, stalking and harassment should be included within these figures.
- Risk 51 – within this there is a description of the Victims Retention Strategy. We could do with a better understanding of how this strategy is applied and whether more needs to be done to reduce the high attrition rates.
- Risk 20 refers to service level agreement for CPS managing rape and serious sexual offences cases which is going from 28 days to 56 days, would be helpful to have some understanding of what the cause is and how it is being mitigated and what more can be done to bring the days down.

DCC Vanessa Jardine reassured that Harry Barton's report was accurate concerning domestic abuse. West Midlands Police have not witnessed a significant increase in reports of stalking and harassment, however the Force is seeing an increase in the number of incidents turning into crime reports. The Force's understanding of domestic abuse exemplifies an improved position of the crimes we should be recording and the audit function for incidents, ensuring the recording of reported crimes is correct. Previously, only one report log would be added onto the system, whereas at present two or three crimes associated with one incident are being logged. There are a number of domestic abuse crimes combined with stalking and harassment and the Force recognise this as an arising matter.

- Catherine Hannon asked if there are incidents that have been filed which should have been turned to crimes that are sat within the NFA filing system at present.

DCC Vanessa Jardine responded that there has been a focus on stalking and harassment due to the recent trends. The Force recognise the number of crimes submitted previously would be higher than those reported at present. This does not mean that victims would not have received a high level of safeguarding or support, but rather an additional crime of stalking and harassment should have been logged if victims were contacted by their offender for example. The process of reporting has changed, however the victim support and safeguarding remains the same.

Harry Barton responded that further detail regarding the changes to governance will be provided to Board Members in due course. The Chair requested that Harry provides an immediate response to Catherine Hannon, along with providing an update at the next Committee meeting in July 2021.

- Gurinder Singh Josan asked in terms of the Brexit (Risk 47) whether it could be confirmed that the risk has now decreased. Further, should the diversity of the workforce be included within the Risk Register moving forward?

DCC Vanessa Jardine responded that the EU Exit risk is decreasing from a policing perspective. Concerns such as uncertainty and development have not manifested themselves however the plan is still being monitored and regularly reviewed. The Force is content with the position of this risk at present.

In response to the recruitment of the workforce, DCC Vanessa Jardine reassured the Committee that this is a strong focus for the Force and have a dedicated work stream in order to increase diversity and drive this factor forwards. The Force are regularly reporting their progress to the OPCC with results also displayed within the Risk Register.

- Richard Hollands asked for the views on the design on the process in how risks are collected. How do we respond to uncertainty? How do we respond to new threats and opportunities?

The Chair gave recognition to Harry Barton for undertaking a review of the process and asked Harry to provide an overview of his impressions of the stability of the process.

Harry Barton responded that the review was conducted in December 2020 and the data was refined throughout January 2021. Four areas were focused on from a strategic and policy perspective, which

are listed within the report. The Force aimed to reveal any differences in practice at both an operational and strategic level.

From a Force perspective the findings of the review exemplify that more work can be done strategically in terms of how we articulate attitude to risk. For example, the Risk Management Strategy needs to be refreshed and there is an opportunity to introduce a suite of risk indicators; trend information is currently being used but requires development. Adaptations to governance is being considered in line with the performance framework and to join up with the new Police and Crime Plan.

Operationally the Force must continue to increase employee awareness; a Senior Governance Risk and Assurance Manager has been appointed into the Team who will be assisting with this. Local practices, policy and guidance information is being reviewed and monitored. Harry advised that there is still the opportunity for further risk strategies and will continue to work with the OPCC from an auditing and governance perspective to ensure visibility.

465 **Item 6 – HMICFRS Update**

Presented by Inspector Rachel Jones-Burns.

The report was circulated in advance of the meeting and therefore Rachel Jones-Burns highlighted the key points from this report:

- Since the previous meeting, two further recommendations have been signed off in relation to crimes against the older generation and hate crime. All recommendations have been received by HMICFRS around child protection issues.
 - A PEEL inspection will be conducted from 14th June to 10th July. This draws on evidence from its annual evidence gathering of effectiveness, efficiency and legitimacy within the Force.
 - Pre on-site evidence gathering will include data reviews, focus groups and one to one interviews.
 - The inspection regarding the management of serious sexual offenders has been conducted; this required a huge amount of casework building and the review of data.
 - Thematic inspections have also been undertaken, the most recent including disproportionality, stop and search and the use of force. West Midlands Police have been highlighted for a significant amount of best practice.
 - There has been a national inspection of policing of protests. 4 areas of improvement have been advised, with 12 recommendations suggested including legislation alterations.
 - In relation to PEEL, HMICFRS are currently looking at the Victim Service Assessment, considering how victims are treated from the initial to the end contact.
 - The Mental Health inspection starts on the 26th April 2021.
- Richard Hollands enquired if completing the inspections remotely has impeded the quality and scope of the work, and has this promoted ways of good practice that can be implemented moving forward?

Rachel Jones-Burns responded that remote access has ensured that the right people are present at the interviews and focus groups; if further requests are made for interviews to clarify detail, the Team can organise this within a tighter time scale. Meetings have become more focused and set up in a timely manner. Moreover, onsite inspections may be undertaken later within the year, if lockdown restrictions ease.

- Gurinder Singh Josan highlighted the thematic inspections on policing protests. What is the Force's view in relation to the requirement of further powers and how will the Force be engaging with communities to ensure that the use of power is commensurate?

DCC Vanessa Jardine praised Rachel for the information detailed within the report. The report highlights elements of good practice for West Midlands Police in relation to the policing protests; one of the elements identified was the way police liaison officers have worked with communities

	<p>throughout the entire process of planned protests. This is topical at present, and the Force are monitoring its development. We do not have the same level of protests that other regions have, meaning West Midlands Police have the opportunity to engage directly and specifically with those involved in the protest. Forums are also used to engage with the wider community that might be impacted.</p>
<p>466</p>	<p>Item 7 – Treasury Management Strategy <i>Presented by Ravi Lakhani.</i></p> <p>The report was circulated in advance of the meeting and therefore Ravi Lakhani highlighted the key points from this report:</p> <ul style="list-style-type: none"> • Neil Chamberlain recognised and thanked Ravi for his hard work. • The Commissioner follows the code of practice for treasury management produced by the Chartered Institute of Public Finance and Accountancy. • Debt Management Activity in 2021 shows our current borrowing at £94.5 million. This is a reduction from £97.3 million from the previous financial year. • Surplus funds are invested on a daily and monthly basis to ensure a good return on our investment is received. • Investments for 2021 is expected to be 0.25%. • 70% of our investments are with local authorities and 25% with British banks and building societies. • The Force have a level of due diligence placed with local authorities. • The PCC’s bankers are currently NatWest; there is a proposal to increase our limit to £65 million. This will ensure assurance, and flexibility that we can hold money with the bank without concerns of reaching the limit. • Treasury Investments equate to £61.8 million as at 1st April. • The Force’s borrowing is not subject to variable interest rates. • A highly diversified Treasury Management Tool is been implemented, titled ‘Money Management Funds’. • Credit ratings will be monitored on a weekly basis throughout the year. <p>- The Chair questioned if there is a particular risk to our financial position if a negative interest rate is proposed.</p> <p>Ravi Lakhani responded that the financial risk is extremely low, reflected through the low risks we are receiving on our investments at present. The risk would be the cost of us holding money with institutions. Flexibility would be ensured if we could use Money Market funds.</p> <p>- Gurinder Singh Josan asked what the external transfer debt from Dudley Metropolitan Council was referring to.</p> <p>Ravi Lakhani responded that this displays debt from Dudley Metropolitan Council, which was transferred through local government reorganisation many years ago. Mark Kenyon added that this relates to former West Midland’s County debt, that Dudley Metropolitan Council manages on behalf of West Midlands organisations.</p> <p>In terms of the potential indicator, we are not required to include any transfer debt in that position as it relates to historic borrowing.</p> <p>- Gurinder Singh Josan asked what style of due diligence is being undertaken in terms of fund managers.</p> <p>Ravi Lakhani responded that fund managers haven’t been appointed yet and a short procurement exercise will need to take place to deliver this. There is an existing framework in place that can be</p>

	utilised and partly reinforced. Typically, the organisations dealing with such funds are experienced and trusted.
467	<p>Item 8 – Accounting Policies <i>Presented by Ravi Lakhani.</i></p> <p>The report was circulated in advance of the meeting and therefore Ravi Lakhani highlighted the key points from this report:</p> <ul style="list-style-type: none"> • There has been little change for Accounting Policies. • A new accounting policy on leases was set to be implemented on 1st April, however this has been delayed to 2022/23 due to the current pandemic. • The initial assessment of the leases accounting policy shows low impact on the OPCC. • Property values are uncertain across public sector organisations due to the pandemic.
468	<p>Item 9 – Internal Audit Update <i>Presented by Lynn Joyce.</i></p> <p>The report was circulated in advance of the meeting and therefore Lynn Joyce highlighted the key points from this report:</p> <ul style="list-style-type: none"> • 8 audits have been finalised since January’s meeting. 3 are awaiting management action. • There are no limited or minimal audits to discuss. • 3 substantial options have been issued. • There were no recommendations required for the management of the Uplift Programme and Commonwealth Games. • The Sex Offender management review has moved from a minimal to reasonable assurance. Improvements were observed when the audit was completed. • A number of the long outstanding recommendations have been closed during the past months. • Future focus surrounds the NFI matches released in January. 2000 matches are being considered for investigation; deceased pensioner matches are a priority as these hold the biggest risk. • The audit team are in a strong position at present, meaning an annual audit opinion can be brought to the next committee. <p>- Catherine Hannon questioned the policy and procedure update reported for the Management of Repeats recommendation update and whether the changes have had an impact.</p> <p>Lynn Joyce responded that the impacts of the policy update is difficult to review until a secondary audit can be completed. The recommendation has not been closed as management are still progressing the actions. Lynn advised that she would request an update from management on what the impact had been to date and report back.</p> <ul style="list-style-type: none"> - Gurinder Singh Josan asked why the recommendations haven’t been implemented regarding the Management of Repeat audit and IT audit strategy (table on page 9 both are in red). <p>Lynn Joyce advised that the table displayed within the report demonstrates a follow up has been undertaken regarding the four recommendations that were made and they are all still outstanding. The red indicators highlights minimal progress on the audit recommendations and a further follow up is required. Similarly with the IT strategy, progress has been delayed due to the pandemic. Lynn will be attending the Strategic Information Management Board next week where an update on these recommendations will be provided.</p> <ul style="list-style-type: none"> - Gurinder Singh Josan questioned the latest position of the missing person’s audit and the progress been made.

	<p>Lynn Joyce responded that a follow up audit is underway regarding wider vulnerability groups which incorporate this matter. It was agreed an update will be shared outside of the meeting.</p> <p>The Chair passed on her thanks to the audit team.</p>
<p>469</p>	<p>Item 10 – Internal Audit Annual Strategy and Work Plan 2021/22 <i>Presented by Lynn Joyce.</i></p> <p>The report was circulated in advance of the meeting and therefore Lynn Joyce highlighted the key points from this report:</p> <ul style="list-style-type: none"> • Flexibility needs to be maintained throughout the year. • The strategy sets out the context of how the Internal Audit Team functions along with the services provided and the resources available. • 800 auditable days are available. • The audit plan proposed is summarised at Appendix B based on discussions, review of risk registers, the Police and Crime Plan, This Work Matters strategy etc. • The Strategic Policing and Crime Plan is considered through the risk assessment and ranking process. Risks will be prioritised based on the external matters at that time. • The plan will be reviewed throughout the year, as a consequence of the pandemic and the introduction of a new Police and Crime Plan. • The feedback given was positive. • The Audit charter includes underpins the Strategy and establishes the working protocols. <p>- Catherine Hannon thanked the Internal Audit Team for their work and encouraged that stalking and harassment should be included within the domestic abuse reviews. Regarding the Rape and Serious Sexual Offences Audit, will this include Governance and the relationship with CPS regarding earlier discussions on the risk register relating to the SLA timescales with CPS changing?</p> <p>Lynn Joyce agreed that stalking and harassment can be integrated within the domestic abuse reviews. Reviews also include governance and how we work with partnerships. All audits flagged are linked to the risk register and will considered the mitigations that have been recorded against those risks. We will consider how these mitigations are being managed.</p> <p>- Catherine Hannon questioned the management of suspects regarding the timeliness of bail and the safeguarding issues raised from the backlog in the Criminal Justice System.</p> <p>Lynn Joyce advised that these issues can be integrated in a timely manner; the scope of all of these reviews are subject to discussion with the ACC's in order to determine the current risks and concerns.</p> <p>The Committee accepted the Strategy, Plan and Charter as reported.</p>
<p>470</p>	<p>Item 11 – External Audit – External Audit Plan 2020/21 <i>Presented by Iain Murray.</i></p> <p>The report was circulated in advance of the meeting and therefore Iain Murray highlighted the key points from this report:</p> <ul style="list-style-type: none"> • Changes to audit guidance has affected risks surrounding fraud, which will now be suited to public sector settings. This is not seen as a significant risk. • The change in auditing standards and accounting estimates refers to understanding how management put together their estimates. Reporting requirements have increased in respect of this.

	<ul style="list-style-type: none"> • The value for money conclusion has altered as the new National Audit Office code of practice has been implemented. This is now more broadly scoped. • An auditor’s annual report will be produced which will be generated from governance, financial sustainability and arrangements for supporting economy efficiency and effectiveness. <p>- Richard Hollands questioned the effectiveness of the succession and handover period.</p> <p>Iain Murray responded that the handover has been extensive and has ran effectively. Iain’s background is heavily police focused, resulting in a greater understanding of our context, functions and the environment in which we operate.</p>
471	<p>Item 12 – External Audit – Progress Report and Sector Update <i>Presented by Laurelin Griffiths.</i></p> <p>The report was circulated in advance of the meeting and therefore Laurelin Griffiths highlighted the key points from this report:</p> <ul style="list-style-type: none"> - Initial handover meetings have been undertaken, concerning methods of operation. - Onsite planning commenced throughout February 2021. - Early discussions around VFM work will be undertaken through meetings set in upcoming weeks.
472	<p>Item 13 – JAC Terms of Reference and Work Programme 2021/22 <i>Presented by The Chair.</i></p> <p>The Committee was content with the Terms of Reference and Work Programme presented for 2021-22.</p>
473	<p>Item 14 – Thank you and Reflection Session <i>Presented by The Chair.</i></p> <ul style="list-style-type: none"> - The Chair expressed her thanks to the Committee for their consistent preparation, attendance and balanced and informed input. - We have seen positive responses from both the OPCC and WMP regarding the audit work being completed. - Gurinder Singh Josan felt the model adopted by the Committee of Board members coupled with and Independent Chair and Vice Chair works well and adds value. Also, the attendance of senior staff and officers from across the OPCC and Force is a big ingredient to the Committee’s success. - Jonathan Jardine added that one of key reasons JAC has been effective is because it is supported by an internal audit function that is internal. Having a team which is knowledgeable and insightful and are integral to the two organisations would be hard to replicate by other means and the recommendation to the new PCC will be that we continue with that model. The Chair agreed. - Richard commented that whilst the technology works and we have learnt new ways of working this doesn’t replicate the richness of the communication you have in a physical meeting. - Catherine Hannon thanked the Chair for her leadership, structure and guidance. - Gurinder Josan Singh reflected on the public meetings and added that the openness and transparency of the Committee should continue <p>The meeting concluded at 11:57.</p> <p>Date of the next meeting – 24 June 2021 at 9:30am.</p>