
JOINT AUDIT COMMITTEE (JAC)

**Minutes from public
meeting held on 31 March
2022**



**JOINT AUDIT COMMITTEE (JAC)
PUBLIC MINUTES 31 March 2022**

Notes of the meeting held on at 9:00am.

Present:

Sue Davis	:	Chair
Richard Hollands	:	Vice Chair
Dr Cath Hannon	:	Board Member
Charmaine Burton	:	Board Member
Bhupinder Gakhal	:	Board Member
Lynn Joyce	:	Head of Internal Audit – PCC
Jonathan Jardine	:	Chief Executive - PCC
Vanessa Jardine	:	Deputy Chief Constable - WMP
Neil Chamberlain	:	Director of Commercial Services - WMP
Zoe Thomas	:	External Audit – Grant Thornton
Iain Murray	:	External Audit – Grant Thornton
Harry Barton	:	Head of Strategy and Direction - WMP
Rachel Jones-Burns	:	Organisational Learning and Risk Manager -HMICFRS
Gemma Brookes	:	Internal Audit – PCC
Ravi Lakhani	:	Head of Financial Accounting and Tax - WMP

514	Item 1 - Apologies The Chair welcomed everyone to the meeting, also introducing Zoe Thomas from Grant Thornton. Apologies were received from Chief Finance Officer Mark Kenyon and Governance, Risk and Assurance Senior Manager Veronica Ejizu.
515	Item 2 - Declarations of Interest There were no declarations of interest raised.
516	Item 3 – Minutes of the Last Meeting The minutes of the previous meeting held on 22 December 2021 were agreed as an accurate record of proceedings.
517	Item 4 - Matters Arising There are no matters arising.
518	Item 5 – Internal Audit Strategy and Work Programme 2022/23 <i>Presented by Lynn Joyce.</i> The report was circulated in advance of the meeting and therefore Lynn Joyce highlighted the key points from this report: <ul style="list-style-type: none"> • The vision, purpose and values of internal audit are explored within the Report. • Resources have been static across previous years, allowing 805 days for assurance work.

- The approach to collating the plan has not changed and involves reviewing risk registers, consultations with senior officers, professional judgment and knowledge of other assurance work.
- There is a process of prioritisation due to limited resources, carried out through a mapping exercise of which activities contribute to the Police and Crime Plan, what is active on the OPCC and Force Risk Registers and which activities will add value.
- This year, the available resources have allowed for those audits categorised as high-risk and some medium risk to be included in the plan.
- A process of consultation was completed regarding the list which received positive feedback.
- Included within the document is a list of activities which we do not have the resources to conclude. These are being kept as reserve.
- The risk profile of the organisation does change; the Plan therefore can be flexible if needed.
- There is uncertainty on the time it will take to complete some of the audits so revisions may be required throughout the year.
- The audit charter is included within the document which underpins the strategy and provides the framework for internal audit.

The Chair commented that Covid remains prevalent within the community with the potential of ill health affecting the capacity of internal audit and the organisations. It was highlighted that the Team are mostly working remotely, reducing the risk of individuals falling ill simultaneously.

- Richard Hollands referred to the audit charter and asked if an update could be provided regarding the quality assurance and improvement programme (QAIP).

Lynn Joyce confirmed that an update regarding the QAIP will be reported to the June 2022 meeting. The programme contains improvement actions, some from the previous internal inspection, although most of these have now been closed, and some which internal audit have identified themselves, for example, there were issues concerning elapsed time for audits which highlighted an area for improvement. Consequently, the Team have altered their approach and are now working on one audit at a time as opposed to multiple audits, ensuring they are turned around quickly. The Team are in a better position with fewer audits being carried over into next year. There is one action within the QAIP that needs to be progressed concerning the longevity of audit working paper system. The full roll out of Office 365 is taking longer than anticipated so we've been unable to explore that as an option yet.

- Cath Hannon observed that Rape and Serious Sexual Offences (RASSO) audit is classified as medium risk within the plan, however elsewhere this area is identified as a high risk and asked why there was a difference? Also, will the Commonwealth Games legacy assurance piece purely focus on the work of the Force or also include work of other partners?

Lynn Joyce advised that in relation to the RASSO piece, the risk rating in Appendix B within the report is from the priority assessment informing the audit plan. The assessment is based on whether there is a risk within the risk register regarding this particular area, or alternatively if work has been completed within this area before and has been subject to scrutiny elsewhere. RASSO was subject to an audit previously and was classified as high risk as a result. RASSO is being revisited to gain additional assurance due to the high-risk profile. The routine follow-up was delayed for a year.

In terms of the Commonwealth Games, this piece will focus on the strategy for WMP. Heads of audit from the different partner organisations come together quarterly to discuss the Commonwealth games assurance work that is taking place, although the Internal Audit Team cannot check processes for external organisations.

- The Chair suggested that it would be good if all the partners could publish their individual audits together.

- The Chair commented that the plan looked interesting and would be taking audit into some new territory which is welcomed

519 Item 6 – Internal Audit Update

Presented by Lynn Joyce.

The report was circulated in advance of the meeting and therefore Lynn Joyce highlighted the key points from this report:

- 7 audits have been finalised since the previous Committee Meeting.
 - 5 audits are in draft awaiting management comments.
 - The implementation rate for recommendations has improved at 86%.
 - Plan performance is currently at 74% at the end of February 2022 however additional audits have been issued since.
 - 98% of audit questionnaires have scored ‘good’ or ‘very good’.
 - The Force requested one audit to be postponed during the quarter relating to hidden crimes. Recruitment into this area has taken longer than usual, meaning the model is not as mature as it could be. This was discussed and agreed with the Chair outside the formal meeting.
 - Internal Audit will be externally assessed over the next quarter. Details will be shared in due course but likely the Chair will be interviewed and members surveyed.
 - The risk management arrangements of the Force were given limited assurance, which reflects the position at that point in time. A lot of work is underway but some has not progressed far enough and has not filtered down throughout the Force due to limited resources and resilience. The arrangements at a strategic level have changed and the risk register is more dynamic and transparent. An exercise now needs to be completed to understand how far the Force wants to progress risk management and where it wants to be on the risk maturity scale.
 - The Detained Property audit findings were summarised although the report is still in draft. A number of issues have arisen as a result of local property stores transitioning to a central store, meaning a transfer of roles, resources and responsibilities. The number of missing items has heightened since the pandemic and as a result of the move to the central store. A part response to the recommendations has been received, but further detail is required on some. Internal Audit are working with management to resolve this.
- The Chair advised that the report was regretfully being presented without a management response because of the nature and scale of the issues being reported. While Committee will return to this at its next meeting it is important that the awaited response from management is provided without further delay.

Discussion on detained property audit findings

Neil Chamberlain provided further context on the detained property position. At the outset of the estate’s strategy, it was recognised that space was being taken up across the Force’s estate with detained property stores. There were 14 locations holding detained property. The stores were managed inconsistently with a lack of management and ownership of the items seized. Property was held in poor conditions. As buildings are being cleared, the Force are standardising their approach in terms of identification, system monitoring, storage, access and final disposal. There are 6 locations still to address, as work has often been paused as a consequence of the pandemic. It was highlighted that there was poor administration locally; there is a culture piece around the officer in charge and the items seized. Neil assured members that the Force are collating an end to end process, alongside logistical departments. In terms of evidential impact, Neil confirmed no case has been lost due to an item not being detained. Progress and outcomes will be shared with the Committee.

- Bhupinder Gakhal commented that an update would be welcomed as some items booked into a property store could be crucial evidence.
- Richard Hollands referred to the cultural issues surrounding this matter, as the level of engagement perceived is concerning.

Deputy Chief Constable Vanessa Jardine expressed the importance of the level of engagement, and that if in doubt the Force's culture is to seize the item. Unfortunately, this does not contribute to the efficiency of the process due to the high number of items being seized. Therefore, two aspects of consideration are of importance including the process of storing items and then questioning whether all items that are currently seized, need to be seized. The Force are aiming to transfer from a risk aversion to a risk managed culture.

- The Chair highlighted that the largest area of concern is the potential for items found to hinder a prosecution, but also stressed that WMP are holding the property of victims and the importance of public relations and trust.

Jonathan Jardine commented that the management response would be wise to reflect upon the counter corruption element. In the recent HMICFRS inspection report for Metropolitan Police counter corruption practice, this area was highlighted as a risk factor. This resulted in a number of recommendations relating to the handling of detained property, including high value items such as firearms, drugs and cash. These recommendations would be a useful framework for the management response to reflect upon.

- Cath Hannon advised that due to the pandemic, there is a two-year backlog for Crown Court cases. Evidential items will therefore need to be kept for over two years, have the Force factored this into the retaining of the property? What are the suggested improvements for the process of returning items to the public?

Deputy Chief Constable Vanessa Jardine confirmed that there is not an automatic disposal date of property seized due to the backlog within the Crown Court cases. Property that is retained as evidence will remain seized until the officer in charge of the case provides authority that the item can be returned or disposed of following the court case.

Neil Chamberlain added that the report discusses the alternative ways of working, including centralisation and localisation and assured members that anything coming in now is managed in a more professional way.

Lynn Joyce commented that the central secure store, containing high value and desirable items, posed no issues throughout the audit.

- The Chair concluded that there is an expectation to see the management response to this within the next Committee Meeting.

Discussion on Risk Management Audit findings

Harry Barton provided his view on the audit findings:

- The internal audit has concluded which was thorough and timely.
- The Force have aimed to increase the robustness in their approach. Veronica Ejizu coming into post has assisted with the implementation of this.
- The resilience aspect is at the forefront of importance, contributing to the delays in terms of training and mainstreaming the approach.
- There are elements concerning structural changes of the department included within the report. These changes will address the resilience issue.
- The risk register has expanded and developed over the past 12 months.
- The Force are content with the audit suggestions, along with the suggested target dates.

The Chair commented that the Committee recognise progress is being made.

- Cath Hannon commented on organisational learning, and asked how the organisation is managing external and internal learning, particularly from child domestic abuse enquiries etc.

	<p>Deputy Chief Constable Vanessa Jardine responded that an Organisational and Learning Risk Board has taken place since the report was published. During this period, Harry's team had taken a full review at the Deputy's request, which will form part of the process moving forward to the new Business Transformation and Strategy and Direction Team. In the interim, organisational learning was included within all governance boards to ensure it is embedded into the organisation. The strategy will be a different and more advanced structure in the future to ensure learning is discussed within the appropriate forums.</p> <ul style="list-style-type: none"> - The Chair confirmed the importance of ensuring learning is filtered and embedded throughout the Force.
520	<p>Item 7 – Risk Management Update, including Force Risk Register and OPCC Risk Register <i>Presented by Harry Barton and Jonathan Jardine.</i></p> <p><u>Force Management Update:</u> Harry Barton highlighted the key points from the Force Risk Management update:</p> <ul style="list-style-type: none"> • There has been considerable change since the previous Committee Meeting. • In terms of the Police Cadet Leaders' risk, the Force are making good progress and are nearing compliance. There is an expectation for this risk to be closed within the next cycle. • Two critical risks were flagged previously – core skills and resilience and training risks. The Force are entering a critical period regarding these risks due to the upcoming commencement of the Commonwealth Games. • Engagement with key stakeholders has been undertaken in terms of the Probation and Data Sharing risk. There is a plan in place to address any issues concerning disclosure. • Website server capacity is a new risk which was flagged to members previously. Work has been completed on this within the previous quarter. Testing is required moving forward. • The non-compliance with the CPIA biometric data risk developed from an audit completed at the start of the pandemic. Since, there has been activity to address the audit findings, however the Force are now pushing for compliance ahead of further audits. • There are some changes to the definition of risk. CJ risks around the Magistrates and Crown Court proceedings remains a risk. The Magistrates backlog has now returned to pre-Covid levels, although the Crown Court delay has remained at two years. • Recent events in Ukraine have heightened the risk of cyber-attacks. • The risk regarding representation has been amended, accounting for additional mitigations that have been implemented. • The alarms management risk is now managed at portfolio level, as the risk was identified to move the alarm system to the new C3 location. <ul style="list-style-type: none"> - Cath Hannon questioned which areas the Force are non-compliant with in relation the CPIA process, and what are the consequences for lack of compliance. Cath also commented that the listing for Magistrates Courts were not acceptable before the pandemic, therefore the Force must continue to reduce court delays and implement a more dynamic process for victims. <p>Harry Barton confirmed that, in terms of the CPIA audit risk, he did not have the result of the audit but this can be shared outside of the Committee Meeting. The Force have been working to understand the next steps and impact.</p> <p>The pandemic has created a delay within Magistrates and Crown Court cases, along with the introduction of new Attorney General guidance which also caused issues over this time period. From an efficiency perspective, the Force are continuously looking to reduce delays.</p>

- Richard Hollands commented that the grouping within the report is helpful. Regarding risk 20, do we have an indication of when a data sharing agreement will be signed? In terms of the 2019 report, was the delay in implementing recommendations as a result of the pandemic?

Harry Barton advised that the report was published in 2019, before the pandemic commenced and therefore recommendations have taken longer to implement. Regarding the Probation piece, the Force have a 7-point plan; the Information Sharing Agreement has been agreed in principle and is part of the 7-point plan. A breakdown of this information can be provided.

- Bhupinder Gakhal questioned how well the Force are prepared in the event of a cyber-attack?

Harry Barton responded that the Force follow a secured by design approach within their IT department. The attacks relating to Ukraine seem to concern phishing emails as opposed to larger scale cyber-attacks. Due to the Commonwealth Games, the Force have an additional number of measures in place to consider intelligence and potential threats.

Neil Chamberlain added that cyber-attacks are a concern at present. As a committee, we have had regular conversations concerning cyber and our protection against it and locally we are as prepared as we can be. Assistant Directors of IT and Information Management Departments both sit on National Boards where national guidance is shared in terms of security. This is built into the Force's strategy; we are in control of all of the risks and we take mitigation action as appropriate. Neil advised that a report from technical experts can be provided outside of the meeting to provide assurance.

- Richard Hollands referred to the session held in January concerning risk appetite and there was an expectation that risk appetite would be introduced into the registers. There are a number of risks across the four quarters that have not moved, is this due to the controls and mitigations not having an impact?

Harry Barton confirmed that it is an intention to feature the risk appetite into the report moving forward. In terms of the reduction effect on mitigations, we are in a fairly comfortable position. One risk has been closed within the last quarter. There is a natural balance across the board, especially considering the effect the pandemic has had on certain areas. Although additional work needs to be completed, there is an appropriate level of comparable risks within the corporate risk register.

Jonathan Jardine referred to Risk 15 relating to governance and in particular the references to Aris asset recovery incentivisation scheme income. The Commissioner has written to the three other Commissioners across the West Midlands setting out that he is not minded to make any changes to the existing approaches and is awaiting responses at present. The Levelling Up White Paper will hopefully touch on the question of recovered assets.

Jonathan Jardine provided an update on the OPCC Risk Register

- The OPCC are adopting a functional approach to the Risk Register, considering the statutory responsibilities of the PCC. We have drawn out areas of the Police and Crime Plan that are arguably the most challenging and these are reported to the Committee.
- The register asks if the PCC is completing his statutory functions.
- A workplan has been finalised for the Strategic Policing and Crime Board.
- Mitigations will evidently change over time.
- An area requiring additional work concerns the equality, diversities, fairness and belonging programme. The resource implications need to be considered to deliver the objectives.
- There is a contextual challenge for the increasing requirement for match funding concerning bespoke projects for the Violence Reduction Unit and Safer Streets.

The Chair thanked Harry and Jonathan for their updates.

Item 8 – HMICFRS Update

Presented by Rachel Jones-Burns.

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

- Due to the extent of the work from the Force at present, we are unlikely to see any further PEEL inspections until the end of the year.
 - We currently hold 86 recommendations and 16 areas for improvement. Recommendations owners are held to account on these and regular progress updates are obtained.
 - Thematic inspections are raised in relation to a specific policing matter. In addition, there are joint targeted inspections and super-complaints and we have seen a rise in the number of super complaints that are being brought to Force's nationally.
 - The most recent joint targeted inspection was of the murder of Arthur Labinjo-Hughes. There were 10 key points in this inspection relating directly to WMP which are being taken seriously by the Force.
 - A further national inspection report was received on exploring rape survivors experience of Police and other criminal justice agencies. There were three specific actions for Police which have been allocated to the Crime Portfolio Board to progress.
 - We have been notified of several inspection taking place from April, including digital forensics, a super-complaint on stop and search powers
- Cath Hannon referred to the reference to victim personal statements, and asked if it could be clarified with officers that the earliest opportunity is different for each individual and must be treated on a case by case basis. In terms of the of overhaul of the Criminal Justice System, how is this going to be completed? There's also an impression given in the report that resources in Multi Agency Safeguarding Hubs are inappropriate, how is this going to be managed within the West Midlands?
 - Bhupinder Gakhal questioned how quickly the Committee will be updated in terms of progress against recommendations?

Rachel Jones-Burns confirmed that recommendations are allocated immediately, and those displaying higher risk are taken to the portfolio lead and we also engage with HMICFRS. Each recommendation is tested on its own merits and is tested and evidenced.

- The Chair advised a report is brought back to every meeting and we expect to receive regular updates.

Deputy Chief Constable Vanessa Jardine agreed that members can be updated within the next Committee Meeting and confirmed that all recommendations are being actioned. WMP are often subject to thematic inspections. In relation to asking for victim personal statements at the earliest opportunity, what defines the earliest opportunity for highly traumatic events? Detectives are aware that this must be victim lead.

Deputy Chief Constable Vanessa Jardine advised that in terms of the Criminal Justice System, this was a comment made by the HMICFRS in a nationally produced report. We are part of a nationally led operation – Operation Soteria - run by Chief Constable Sarah Crew. WMP are content to be part of this Group. Additional staff have been deployed into MASH so issues can be addressed immediately.

- Richard Hollands asked if the content of inspections changes in order to consider current and dynamic circumstances, for example the recent Child Q case?

Rachel Jones-Burns advised that stop and search is currently focused on the impact of change in authority required for stop and search. The report does not address the Child Q case; however, the Force are considering strip searches and how they are carried out within the organisation at present.

522	<p>Item 9 – 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 have been no significant accounting changes by regulatory authorities. • The method of transferring leases off the balance sheet and then reimplemented onto the balance sheet has been delayed due to the pandemic. CIPFA have proposed this be delayed further to 2024/25. This is still to be accepted and formally approved by the regulatory authorities. Whether we need to give an estimate of the impact on this year's accounts is yet to be known. Preparation work has been undertaken. • There may be a case that some of our insurance claims meet the technical definition of a provision, meaning these may be moved onto the balance sheet. This doesn't cost the Force any money, it's a reclassification issue. <p>- Richard Hollands questioned if the changes would result in difficulties comparing annual figures?</p> <p>Ravi Lakhani responded that for leases, the Force will still be able to present a like for like comparison. The statutory requirements do not require a like for like comparison for provisions, however Ravi assured that for transparency information regarding this will be included within the accounts.</p> <p>The Chair thanked Ravi for his update.</p>
523	<p>Item 10 – Treasury Management Report <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"> • The PCC's debt is at £101.3million at present. We did take an additional loan of £7.5million during the financial year to fund the estates strategy. • The average rate payable on the debt is at 3.2%. • 30% of money is with money market funds, used for the first time since 2021/22. This has been a success with the generation of £14,000 to £15,000 of additional income this year. • The maximum amount of money we can hold with NatWest is £65million. There were a number of times this year this has been breached due to the low interest environment and therefore less suitable counterparties we could invest with. • Our external borrowing is at a fixed rate. • The PCC is currently in an overborrowed position, partly due to the minimum revenue provision that has been applied. • The Bank of England base rates were at 10 basis points, which have now been raised. This is currently at 75 basis points. • In terms of the monetary policy, there has been an 8% spike this year. • The PCC's investment priorities include security and liquidity. We invest primarily with banks and building societies. We tend not to invest with foreign banks, however the opportunity is available if required. • The PCC would like the ability to forward borrow, which involves borrowing in a year's time at a lower interest rate. There is a risk that we are committed to this borrowing once we have signed to do so. <p>- Bhupinder Gakhal questioned if the Force searched for the best possible deal in terms of the average rate of interest?</p> <p>Ravi Lakhani assured that the Force will always look for the best average rate of interest in line with credit ratings and policing. At present, the Force's process involves receiving offers from brokers who</p>

	<p>will approach the Force with various proposals. Moving forward, Ravi advised he wishes to move to an online portal which details the banks available and what they offer. There may, however, be occasions where we may not get the cheapest rate as offers are sometimes only available for a day.</p> <ul style="list-style-type: none"> - Richard Hollands referred to Section 4 Paragraph 5 and the advisor’s judgement being out of step. Is this a cause for concern and do we periodically test the market? <p>Ravi Lakhani commented that he is not particularly concerned about this matter as all is backed up by rationale. In terms of testing the market, Ravi advised that a contract comes up for renewal and we go out to tender. There are a limited number of players within the public sector treasury advisory space. Benchmarking and utilising expertise is a key benefit developing from this.</p> <ul style="list-style-type: none"> - The Chair congratulated Ravi Lakhani on the introduction of a new approach to the money market. <p>Ravi Lakhani proposed a training opportunity for Members regarding Treasury Management.</p> <p>The Chair confirmed that the training can be incorporated into the Committee’s training programme.</p>
524	<p>Item 11 – External Audit Progress Report and Sector Update <i>Presented by Iain Murray.</i></p> <p>The report was circulated in advance of the meeting and therefore Iain Murray and Zoe Thomas highlighted the key points from this report:</p> <ul style="list-style-type: none"> • Zoe Thomas was introduced and it was assured there is continuity within the Team. • For 2021, the last requirement is the auditors annual report that is currently in the draft stage. This will be shared with the Committee in due course. • The 2021/22 plan is due to be prepared in April 2022. There is a passage of time between this and the Committee’s next meeting. <ul style="list-style-type: none"> - The Chair asked Grant Thornton to elaborate on the detail of where external audit are at with 2021 as things are much later that the Committee are used to. <p>Iain Murray provided the following clarification:</p> <ul style="list-style-type: none"> • Reasons for delays include the external audit for local government, the pandemic and the level of face to face engagement has been missed. • All audit firms work on a business model that brings people into the organisation as students or school leavers. Training is difficult to complete virtually. Recruitment and retention are of great difficulty. • WMP accounts are a good product. The finance team engage well with the audit process. <p>The Chair thanked Grant Thornton for their update and for the sector update which provides helpful background reading.</p>
525	<p>Item 12 – JAC Work Programme and Terms of Reference The Terms of reference and Work Programme was accepted.</p> <p>The Chair thanked the Force and Committee for their reports and discussion. The Chair wished Neil Chamberlain best of luck for his retirement.</p> <p>Date of the next meeting – 30 June 2022</p>