
JOINT AUDIT COMMITTEE (JAC)

**Minutes from public
meeting held on 29
September 2022**



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

Notes of the meeting held on 29 September at 9:30am.

Present:

Sue Davis	:	Chair
Richard Hollands	:	Vice Chair
Dr Cath Hannon	:	Board Member
Lynn Joyce	:	Head of Internal Audit - PCC
Mark Kenyon	:	Chief Finance Officer - PCC
Jonathan Jardine	:	Chief Executive - OPCC
Michelle Painter	:	Assistant Director - Forensic Services - WMP
Rachel Jones-Burns	:	Organisational Learning and Risk Manager - HMICFRS
Pete Gillett	:	Director of Commercial Services - WMP
Vanessa Jardine	:	Deputy Chief Constable - WMP
Fiona Pook	:	Head of Performance and Assurance - WMP
Davinder Jagpal	:	Assistant Director - Finance, Contracts and Procurement – WMP
Beth Tobitt	:	Strategic Finance Manager - WMP
Iain Murray	:	External Audit – Grant Thornton
Zoe Thomas	:	External Audit – Grant Thornton

542	Item 1 - Apologies The Chair welcomed everyone to the meeting. Apologies were noted from Board Members Charmaine Burton and Bhupinder Gakhal.
543	Item 2 - Declarations of Interest There were no declarations of interest raised.
544	Item 3 – Minutes of the last meeting The minutes of the previous meeting held on 30 June were agreed as an accurate record of proceedings.
545	Item 4 - Matters Arising One matter arising was noted by the Chair regarding the external inspection of the internal audit function. This will be discussed verbally during the Internal Audit update (item 10).
546	Item 5 – External Audit Joint Audit Findings Report (Year Ending 31 March 2022) <i>Presented by Iain Murray.</i> Iain Murray highlighted the key points from this report: <ul style="list-style-type: none"> • Grant Thornton are near the end of the external audit process, ahead of the revised timetable. • No further adjustments have been identified to either set of accounts. • Matters that remain outstanding include assurances from the WMP Pensions Fund.

- Grant Thornton are awaiting an update in response to pension fund assets. The impact, broadly speaking, would be to increase or decrease liability on the balance sheet.
 - IT findings are not necessarily quick fixes and often auditors are viewing issues through narrow lenses.
 - In terms of estimates, Grant Thornton offer a view in relation to decision management, and whether management appear optimistic or pessimistic. Management are being prudent. In cash terms, the accounting entries are stripped from the accounts.
 - Accounting and financial management work on different basis.
- Cath Hannon referred to the commentary (note 10 page 8) regarding the distinction between provision or creditors. Could an explanation be provided as to what this issue is?

Iain Murray clarified that these are both liabilities included at the bottom of the balance sheet, relating to the certainty of that liability. A creditor is something an organisation knows is going to be paid over a 12-month period. A provision has a degree of uncertainty and is one step removed from a creditor.

- Cath Hannon questioned if the expenditure streams are generic or if there are particular issues that sit within the debate of creditors and provisions.

Iain Murray advised that this is a matter of judgment. Specifically, this is in relation to cash as opposed to expenditure. The cash relates to money the PCC and Force hold. The key element is to recognise that this cash is not yours, and is accounted for through the assets included within the top half of the balance sheet, and the corresponding liability within the bottom half of the balance sheet. The remaining option would be to not account for the cash, however the net impact would be the same.

Pete Gillett thanked the Finance Team and Grant Thornton for the work undertaken to date.

- Richard Hollands observed that it is unusual for a partner rotation to occur in such a short space of time and asked for reassurance that the handover will be efficient?

Iain Murray confirmed that the partnership rotation is in place as he is leaving Grant Thornton. Grant Thornton are in the process of working out who will take over Iain's role; Iain is still working to his notice which is the end of November. A proper handover will take place. Iain confirmed that a final version of the Joint Audit Findings report will be circulated before the December Committee Meeting.

The Chair thanked Iain and wished him the best moving forward.

547 **Item 6 – Risk Management Update, including Force Risk Register and OPCC Risk Register**
Presented by Mark Kenyon and Fiona Pook.

OPCC Risk Register Update:

Mark Kenyon highlighted the key points from the OPCC Risk Register update:

- The usual format of the report comments on the overall arrangements of the PCC's functions in terms of predominantly delivering the Police and Crime Plan and holding WMP to account.
- The majority of the risk scores have remained the same as what was previously reported to the Committee. There have been some minor alterations in terms of the delivery of the Plan.
- A copy of the SPCB performance dashboard will be provided at the next meeting relating to the performance of WMP.
- The performance of Force Contact and answering 101 and 999 calls is one of the areas of improvement regarding holding the force to account.
- In terms of increased and decreased risk, this is focused upon the overall resources of the PCC. The biggest impact on this at present is inflation.
- The medium-term financial plan is being shared with the Police and Crime Panel imminently.
- There is a significant gap next year in terms of our financial position due to inflation. Key areas include increases in energy costs. A £3 million overspend is forecast for this year.

Pete Gillett commented that the Force is no different to other organisations and individuals in terms of the exposure to increasing costs of energy, gas, electricity, vehicle fuel and inflation. We aim to mitigate where possible through adopting best practice. This is forming a key part of financial planning for the current and next financial year, with the intention of creating longer-term sustainable savings and therefore a longer-term planning approach. A further pressure is the cost of pay as there will be no grant support to fully cover the costs of the pay award for police officers.

- The Chair commented that government departments were asked to identify spending cuts in order to help mitigate the effect of what is happening, and queried if there was any indication that the Home Office will be part of this and whether it is likely to impact the current year situation.

Pete Gillett responded that the Force do not expect this to impact their current position, although an update has not been received yet from the Home Office. There will be a desire within central government to bring this to a greater level of control. From a WMP perspective, we aim to complete this locally and to make the case for continued funding.

- Cath Hannon asked if there are any proposals to draw the current workforce into this debate so they can contribute to different ways of working to make savings.

DCC Vanessa Jardine confirmed this was happening. The Force have remained open with the Force Leadership Team and SLT's in terms of ideas and contributions. A session took place a few weeks ago discussing this and strong ideas progressed during the session.

- Cath Hannon asked if examples of the ideas discussed could be shared.

Pete Gillett recognised that the suggestions identified are wide ranging, including ideas such as minimising travel distances and reducing the size of the fleet. The Force have collated these suggestions and a summary can be shared with the Committee. Small incremental changes, when added up, can make a large impact. There will be a combination of strategic approaches in correlation with the suggestions made.

- Richard Hollands mentioned that the employment market in some sectors is tight at present and asked if this is the experience in this organisation?

DCC Vanessa Jardine advised that due to the police officer uplift programme, the Force cannot vary officer numbers. The Force have therefore decided to hold recruitment into some staff vacancies at present. More broadly, our remuneration is not as high as in private sector, with Legal Services being an example of this.

- Richard Hollands questioned the impact of this on service because if we hold vacancies that means work isn't being done.

DCC Vanessa Jardine responded that in certain areas, such as Force Contact, we are considering moving officers into police staff roles. This is not an ideal situation; however, we are still in the initial stages of understanding the impact. More details can be shared with the Committee in due course.

The Chair was reassured that WMP are not decreasing police officer numbers. The Committee would be concerned if this impacted on those areas where internal audit had raised concerns where the service to the public is not as it should be as we don't have enough officers dealing with complex cases. The Chair said this will be kept under careful consideration and review.

Force Risk Register Update:

Fiona Pook highlighted the key points from the Force Risk Register update:

- The Team has been restructured as part of the introduction of the new Strategy, Delivery and Assurance Department. The Force are still waiting for a number of posts to be filled by external candidates. Fiona Pook started her role recently, with risk sitting within her portfolio. The Force are waiting for the Senior Risk and Assurance Manager to start.
 - There is a reduced risk in terms of health, safety and wellbeing.
 - Risk 18 concerning core skills has been subject to regular scrutiny through the Force's performance panel and is subject to regular reviews from governance boards. There is a dashboard waiting to go live. Work is ongoing to ensure we continue to reduce this risk.
 - As part of the new structure there will be an Organisational Learning Manager who is due to start her post in two weeks' time, assisting with Risk 17 concerning organisational learning.
 - The governance boards have been refreshed and the packages now presented each month will include risk, organisational learning and key priorities for the Force.
- Cath Hannon referred to the Probation risk and asked what the other local mitigations in place are if the national picture does not support the West Midlands.

Michelle Painter commented that when the risk register was reviewed the Force felt there is more the organisation can do themselves as opposed to waiting for an external audit. When these risks have been reviewed the Force felt action should be taken internally as soon as able.

DCC Vanessa Jardine added that when the Force were made aware of this there were issues whereby probation was going to different departments. Communication has been developed across the organisation to provide direction to mitigate this as much as possible.

Lynn Joyce added that the Internal Audit Team are completing an audit on this matter at present.

- Cath Hannon referred to the cross-examining of domestic abuse victims outside of the court complex, and questioned where and how this will take place as some of the victims' rooms are not suitable or up to standard?

Fiona Pook agreed to report detail on this to the next Committee Meeting.

- Cath Hannon referenced the suggestion that 20 major crime staff will be moving across the organisation to Public Protection. There have been discussions regarding moving resources across the West Midlands, will this be volunteers and how will the process work?

DCC Vanessa Jardine confirmed that the Force will always go to volunteers first as the best way to achieve the proposed outcome. However, the Force are working on a strategy for a greater distribution and movement of staff, particularly within the detective role. This came to a Force discussion last week and is an area that needs to be developed.

- Cath Hannon referred to risk 19 regarding potential problems created during the Commonwealth Games due to the website server capacity and asked if any problems were identified and, if so, how they were resolved?

Fiona Pook reassured the Committee that no issues occurred during the Commonwealth Games and the Force worked closely with IT and Digital. During October, wider stability should be implemented.

- Cath Hannon advised that the Connect System has previously caused significant issues. The original contract included work and adjustments that are now being paid for; why are the Force paying additional costs for adjustments?

DCC Vanessa Jardine advised that the Connect System is hugely complex. Pete Gillett requested a review of the Connect System, in terms of how the Force are managing this relationship. There is a full governance structure that sits around Connect, led by ACC Jayne Meir, which ensures everything is scrutinised to a high level. Costs have come to light that were not expected.

From a commercial perspective, Pete Gillet assured the Committee that the relationship with the supplier is of great importance to the Force. Davinder Jagpal has challenged the contractual position and costs to recognise ongoing value for money which will have a positive impact moving forward in terms of future costs. This is an area we should not be complacent about.

- Richard Hollands asked if the Force are expecting civil disorder due to the current social and economic challenges people are facing and questioned the visibility of this, and if we should capture this as a risk regardless of the threat.

DCC Vanessa Jardine provided confidence that the Force are alive to this risk. There is a weekly community impact assessment and threat assessment. At present, there is no intelligence to suggest that civil unrest is likely or imminent. There is intelligence, however, regarding protests around the Conservative Party Conference. There is nothing further to suggest disorder.

The Chair thanked Fiona for her report.

548 Item 7 – HMICFRS Update

Presented by Rachel Jones-Burns.

Rachel Jones-Burns highlighted the key points from this report:

- Since the previous meeting, there have been no further updates in terms of PEEL inspections.
 - Over the period of the Commonwealth Games, the Force have taken the opportunity to focus on existing recommendations.
 - His Majesty's Chief Inspector of Constabulary, Andy Cook's, ambition is for no force to remain without inspection for two years.
 - HMICFRS recommendations open currently sits at 41. There are also 14 areas of improvement and two areas of concern. The two areas of concern relate to crimes against old people and safeguarding and stalking and harassment.
 - The Force have been notified of one potential inspection regarding ROCU, although this has been delayed due to HMICFRS capacity.
 - Themes that sit in potential inspections nationally include decision making, protective characteristics, meeting the needs of victims, casefile quality, homicide, progress on violence against women and girls and armed policing.
 - WMP have accepted all recommendations in terms of the super complaint findings.
 - Relating to the consideration of police officers and police staff as suspects in domestic abuse cases, 11 themes have arisen from this with three recommendations concerning audit process, responsiveness and how effective the communication is with victims.
 - In terms of investigations, findings include significant impact on victims for serious crime. Charge rates for some of these areas are low and therefore the Force are considering how to better improve this.
- Regarding the super-complaint, the Chair asked who is completing the audit on closed cases and where is the responsibility for oversight.

DCC Vanessa Jardine confirmed that this is sitting under ACC Andy Hill. The Force are not aware of who is undertaking the audit, however DCC Jardine has sought assurance around this previously. An action can be taken to provide an update relating to these recommendations to the Committee.

The Chair agreed an update would be welcome.

- Richard Hollands congratulated the Team regarding the progress of the recommendations.
- Cath Hannon referred to the connection made between stalking and harassment behaviour and breaches of orders, and asked if any additional work is taking place to ensure this connection is managed properly.

	<p>Rachel Jones-Burns advised that the Force have recently received an update from Detective Superintendent Tony Hopkins in relation to this, who is the lead for this piece of work.</p> <p>Pete Gillett added that HMICFRS are reviewing the approach to PEEL inspections. A key element of this, besides operational scrutiny, is the efficiency element of the report and therefore the Force are working practically from a West Midlands perspective to contribute to the work of HMICFRS to inform and shape accordingly. This links to value for money profiles and financial resilience tools, for example, through the national role and work within the West Midlands.</p> <p>The Chair thanked Rachel for her update.</p>
<p>549</p>	<p>Item 8 – Treasury Management Update <i>Presented by Davinder Jagpal.</i></p> <p>Davinder Jagpal highlighted the key points from this report:</p> <ul style="list-style-type: none"> • The report provides the Committee with a two-fold update, concerning micro-economic factors and position statements regarding investments and borrowing. • Any investments are a timing issue, as we do not have a true surplus of money. Regarding borrowing, the Force borrow for their capital expenditure programme. • The UK economy is going through turbulent times with contributing factors including the Covid pandemic and the Ukraine war. This has manifested itself into higher inflation levels. • The Bank of England are also increasing interest rates. • In March 2022 the inflation rate was 7%. In September 2022, this increased to 9.9%. • In August 2022, the Monetary Policy Committee increased interest rates to 1.75% which was the sixth consecutive increase. The rate is now 2.25%. • The Force have borrowed up to a certain amount at this point of time. The interest rates for this are fixed and therefore the Force only need to consider the impact on future borrowing. • Total investments equate to £257 million. • The Home Office made significant advanced payments as a result of the Commonwealth Games which will be drawn down which will bring down money we're holding as investments. • The return on investments have been higher than expected. • All borrowings are through the Public Works Loans Board. The Force have not taken any additional borrowing this year. • Assurance was provided that treasury management activities are in line with CIPFA requirements. <p>- Jonathan Jardine queried if present day is a good time to consider borrowing.</p> <p>Pete Gillett responded that practically, WMP do not borrow in advance of need. Discussions around this are taking place at present concerning the level of spending and funding required. The historic cost of borrowing is relatively low.</p> <p>- The Chair questioned the Force's definition of 'in advance', if there are plans within the Estates Strategy that could be brought forward.</p> <p>Pete Gillett advised that funding is included within the overall programme for projects.</p> <p>The Chair thanks Davinder for her report and advised that the Treasury Management will be revisited within the March Committee Meeting.</p>
<p>550</p>	<p>Item 9 – HMICFRS Value for Money Profiles <i>Presented by Beth Tobitt.</i></p> <p>Beth Tobitt highlighted the key points from this report:</p>

- The value for money profiles are based on HMICFRS values.
 - Since last year, 9 outliers remain with 6 new outliers added to the list. Of those, there are 8 POA categories.
 - The Force have recently invested in dealing with members of the public. A service desk has been introduced, and will be assessed next year for progress.
 - No further work is necessary for the operational support and civil contingencies as this was linked to the Commonwealth Games.
 - The Force are in the process of assessing intelligence gathering, and can report to a future Committee Meeting.
 - Public Protection is the most significant outlier. There seems to be a disparity between how different forces capture their costs. Support would be needed from performance and operations if there was a desire to look into this further.
 - Training costs are a new outlier for this financial year. The Uplift Programme has a role to play in this, and how resources have been invested into training.
 - Merseyside and Greater Manchester are funding their capital programme through borrowing whereas WMP are aiming to fund through revenue finances. Since 2015, our capital grants have dropped from £4.8 million to £2.5 million.
- Cath Hannon referred to the central managed costs as WMP have a large indicator for direct revenue, and questioned what sort of activities would feature within this.

Beth Tobitt clarified that direct revenue relates to capital expenditure, and therefore funds activities such as fleet, IT support and body worn videos.

- Cath Hannon asked how the central managed costs feature within both Merseyside and Greater Manchester.

Beth advised that Merseyside and Greater Manchester are funding this through short term borrowing.

- Richard Hollands queried is there is anything that suggests the Force should change their model to how other organisations operate or conversely are WMP in a better place?

Pete Gillett responded that when considering borrowing, the life of the asset must be considered. For example, body worn video, IT equipment and vehicles are fairly short life assets and therefore costs will turn to revenue. This is an area that will remain under review. Benchmarking is helpful to identify areas of improvement.

- The Chair referred to the issues raised regarding public protection. This suggests that if the Force were staffing to the level they wish to have, the outlier would be off the scale. Are other forces struggling?

DCC Vanessa Jardine clarified that Greater Manchester Police devolved out their public protection and are now bringing it back in. WMP would like the ability to invest more, particularly within detective world and public protection. The Force understand demand, alongside the threat and risk communities are facing.

- Richard Hollands asked if the Force is undertaking any work to accommodate for the King's new cypher.

Pete Gillett commented that every Force is going through this, and therefore a common approach will be taken. There is no immediate requirement for forces to alter uniforms. From a planning perspective, the Force have time to consider how to implement the changes and to work with other providers to manage the transition.

	<p>Jonathan Jardine commented that the VFM profiles data cannot be used as stand-alone data, and will need to be correlated with performance and demand. The Government has imposed a performance regime in terms of call handling times. It is questionable if this is the appropriate metric to use. There is no correlation between spend and performance, and therefore there is little to suggest that increasing investment will improve performance against the metrics used nationally.</p>
<p>551</p>	<p>Item 10 – Anti-Fraud, Bribery and Corruption Policy <i>Presented by Mark Kenyon.</i></p> <p>Mark Kenyon highlighted the key points from this report:</p> <ul style="list-style-type: none"> • The Policy is reviewed on a bi-annual basis. • This a key document in terms of legislation, culture and a deterrent policy to prevent corruption and fraud within organisations. The Policy also considers roles and responsibilities. • Few changes have been made since the previous review. • Reference is included to the College of Policing Guidance on what should happen if someone is found to have broken the policy. • The cost of living crisis across the country, and the impact this will have, may cause desperation for individuals to commit fraud. • Annual integrity health checks have been implemented as well as work around behaviours and ethics. <p>- Richard Hollands asked what the completion rate is for the annual integrity health check.</p> <p>Mark Kenyon advised that this can be revisited in the December Committee Meeting when a report on the annual effectiveness of the policy and fraud response will be presented.</p> <p>DCC Vanessa Jardine advised that the data can be segregated into departments, with the addition of supervisor one on one meetings with members of staff to draw focus towards finances, external factors that may lead to corruption and it also puts the onus on the individual. This is a new process within the Force. The completion rate is looking strong.</p> <p>Michelle Painter added that this check is system generated and emails are sent consistently to remind people to complete it.</p> <p>- The Chair commented that many incidents of fraud are discovered by accident, and questioned if the supervision process is picking this up and asked what proportion of frauds have been spotted by a supervisor.</p> <p>Mark Kenyon commented that the live cases would be detailed in the annual effectiveness report due to come to the Committee in December and we can ask for this detail to be identified</p> <p>- Richard Hollands questioned if the Committee need to formally approve this.</p> <p>Mark Kenyon advised that this is brought to the Committee as a consultation document without the need of formal approval.</p>
<p>552</p>	<p>Item 11 – Internal Audit Update <i>Presented by Lynn Joyce.</i></p> <p>Lynn Joyce highlighted the key points from this report:</p> <ul style="list-style-type: none"> • 5 audit reports have been finalised since the last meeting, and the 2 currently listed as in draft have now been finalised. • The Team have followed up on recommendations for 22 audits, with 73% of these considered complete. • There are 24 significant recommendations outstanding, which the Team are hoping to see movement on during the next few months.

- Details will be brought back to the Committee regarding the number of matches to investigate.
 - In terms of performance, completion of the plan is at 24% which is on par to previous years. The Team are working on approximately 50% of the plan at present.
 - Turnover of staff may cause a slight delay; however, the Team are hoping the impact of the change will be minimal.
 - The external inspection of Internal Audit was completed throughout June and July, with the report available in August which advised that we fully comply with the Public Sector Internal Audit Standards.
 - Three advisory actions were made, concerning a statement to be added to the annual report around independence, training and development records be adapted to capture learning from the research undertaken on individual audits and disclaimers included on audit reports not be distributed more widely. The actions will be incorporated into the improvement plan.
 - In terms of contact service levels, the service is struggling to meet standards set out in the Citizen Charter for all channels: 101, 999 and Live Chat. Management are fully aware of this.
 - The timing was unfortunate as a service improvement plan had just been agreed and therefore we were unable to assess impact at the time of audit.
 - A full review of the Live Chat function was also taking place.
 - The Team identified issues concerning the dip sampling process not being as wide or thorough as it could be.
 - Attrition in this environment is quite high.
- Richard Hollands referred to the challenges on resources discussion earlier and questioned if the agreed actions will be affected.

Lynn Joyce responded that the agreed actions will not be affected because management already have an improvement plan in place.

DCC Vanessa Jardine assured members that this is discussed on a daily basis and is a Force priority. The external review gave interesting recommendations and commentary. Michelle Painter is providing project support to the Formal Change Programme. More staff have been implemented into this area. Vanessa assured that the financial position of the Force will not affect the agreed actions.

- Cath Hannon referred to the early conversations with Connect regarding victim's not receiving information, and recording weaknesses regarding the victim's code and asked if reassurance could be provided in relation to these issues? Secondly, is there a process in place regarding how to attach statements into the Connect System, which seems to be a training issue on where to find and input information?

DCC Vanessa Jardine advised that precise information regarding the victim's code can be gathered outside of the meeting.

Lynn Joyce advised that there is a place in the Connect System where this should be reported, despite reports often attached to the investigation log. There is an element of training and educating required.

Cath Hannon noted that Richard Conway (Auditor) was leaving the organisation and thanked Richard for his hard work and wished him well within his future role. The Chair echoed this.

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Item 12 – JAC Work Programme

The Chair thanked the attendees and Committee for their reports and discussion.

Date of the next meeting – 15 December 2022.