



**JOINT AUDIT COMMITTEE (JAC)  
Public Minutes**

Notes of the meeting held on 22<sup>nd</sup> February 2024 at 13:00

**Attendees:**

Sue Davis	Chair
Richard Hollands	Vice Chair
Dr. Cath Hannon	Board Member
Charmaine Burton	Board Member
Jane Heppel	Chief Finance Officer - PCC
Lynn Joyce	Head of Internal Audit - PCC
Davinder Jagpal	Assistant Director - Finance, Contracts and Procurement - WMP
Sue Dehal	Head of Financial Accounting and Tax - WMP
Andy Champness	Consultant

**Plus one notetaker**

<b>616</b>	<b>Item 1 - Apologies</b>  The Chair welcomed everyone to the meeting. Apologies were noted for Chief Executive Jonathan Jardine and Board Member Bhupinder Gakhal.  Jane Heppel apologised to West Midlands Police colleagues who were unable to attend the meeting due to a diary clash.  The Chair advised that this meeting is an additional meeting of the Joint Audit Committee which had been called to consider some of the issues arising from the potential change of governance arrangements.
<b>617</b>	<b>Item 2 – Declarations of Interest</b>  There were no declarations of interest raised.
<b>618</b>	<b>Item 3 – Minutes from Previous Meeting</b>  The minutes of the previous meeting held on 14 <sup>th</sup> December 2023 were agreed as an accurate record of proceedings.
<b>619</b>	<b>Item 4 – Matters Arising (Not on Agenda)</b>  There are no matters arising.

<p>620</p>	<p><b>Item 5 – Accounting Policies</b>  <i>Presented by Davinder Jagpal and Jane Heppel</i></p> <ul style="list-style-type: none"> <li>• Though there are very few changes, all changes made to the Accounting Policies in Appendix A are highlighted in grey.</li> <li>• The statement of accounts is compliant with International Financial Reporting Standards.</li> <li>• A paragraph is inserted at 2.5 which is slightly different than last year just to flag the current situation with the proposed transfer of power. This reflects that if the transfer happens the accounts need to be prepared up to the 6<sup>th</sup> May. If it doesn't then the accounts will be prepared by March 31<sup>st</sup> as per normal practice. This does create a bit of uncertainty for the Force. There will be a critical point in the next few weeks where clear instructions will need to be given.</li> <li>• There may be cost implications as a result, though the Force are speaking with External Auditors for a steer.</li> <li>• Jane Heppel added that it is particularly difficult for the Force who have a larger amount of accruals to be clear in the close down timetable, whether this is by the 31st March or May 7<sup>th</sup>, and so their assistance is greatly appreciated.</li> <li>• Jane Heppel suggested that if the Policies were approved then responsibility may be delegated to herself to amend should the transfer not take place. The Chair requested that she be formally notified if any amendment was subsequently made.</li> <li>• There are no new accounting standards for the 23/24 accounts. Discussions on IFRS16 continue so won't impact the 23/24 accounts. Work has started on the 24/25 accounts.</li> </ul> <p>- On the External Auditor issue, Richard Hollands asked if the 13 months option impacts on the timing of external audits work, or is the date you have to file the accounts immovable?</p> <p>Jane Heppel clarified that the Statutory Instrument takes precedence over the normal accounts, but this will have an impact as the 22/23 accounts have not yet been completed.</p> <p>- Cath Hannon referred to paragraph Q which talks about Council Tax and raise the issues ongoing at Birmingham City Council. Do you foresee any issue with money from the precept coming into the PCC?</p> <p>Jane Heppel confirmed that there are none foreseen. This payment is a statutory duty for the Council so by law they must make the payment.</p> <p>The Committee agreed to accept the Accounting Policies.</p>
<p>621</p>	<p><b>Item 6 – Treasury Management Strategy</b>  <i>Presented by Jane Heppel</i></p> <ul style="list-style-type: none"> <li>• This document explains how cash flows are managed but it can be mistaken as being an investment strategy. It explains what the authority will do with those balances which it finds available.</li> <li>• Through doing a review of the capital financing requirement, it revealed that, because the PCC hasn't taken on as much capital expenditure funded by debt as we perhaps had expected to, we are currently in a position whereby there was more borrowing than the capital financing requirement and so technically we are in an overborrowing position.</li> <li>• This is not something that is disallowed as you can borrow ahead if there is need, however, the position for the OPCC is that even through the medium-term financial planning period, this does not arise.</li> </ul>

	<ul style="list-style-type: none"> <li>• The money was borrowed for work intended for Canley in Coventry. Following the Estates Strategy review, the Force is now in a position where they do not need to borrow to deliver the strategy.</li> <li>- The Chair asked if this was one of those areas where it would cost more to pay back?</li> </ul> <p>Jane Heppel clarified that the markets are currently in an unusual position and the forecast is showing that rates will fall, not rise. Sue Dehal has been working with the Treasury Advisors to see what discounts are available to pay the cash back. The situation can be reviewed again in 12 months. There is an opportunity in the current climate to pay back and make long term savings.</p> <ul style="list-style-type: none"> <li>- Richard Hollands asked if there any penalties for early settlement?</li> </ul> <p>Jane Heppel confirmed that there are, but there are also a few loans when packaged together that would make a benefit rather than a cost.</p> <ul style="list-style-type: none"> <li>- The Chair asked whether as a caveat the judgment that this money is not needed is on the basis of the current PCC’s plans, and is there not technically the possibility that a new Mayor/PCC could come in and have new priorities?</li> </ul> <p>Jane Heppel agreed that there are always unknowns. This has been discussed with potential future colleagues in the Combined Authority, who have also reviewed the Treasury Management Strategy and Accounting Policies and there is an agreement in terms of alignment. An accountant should say you should only borrow to the extent you need to and this advice would be offered to any incoming PCC or Mayor. If they decide to invest in capital expenditure backed by borrowing there would need to be a means of paying investment.</p> <p>The Committee were happy to approve the Strategy.</p>
622	<p><b>Item 7 – JAC Work Programme</b></p> <p>This work programme is for noting.</p>
	<p><b>Date of the next meeting:</b></p> <p>Thursday 28 March 2024</p> <p>The Chair thanked members for their attendance and closed the public meeting.</p>