

**MINUTES OF THE JOINT INDEPENDENT AUDIT and ETHICS COMMITTEE
(POLICE AND CRIME COMMISSIONER FOR WEST YORKSHIRE
AND WEST YORKSHIRE POLICE)
HELD ON 13 APRIL 2018**

AUDIT SESSION

MEMBERS PRESENT

Richard Baldwin
Trevor Lake (Chair)
Ann Liston

OFFICERS PRESENT

Gill Bardsley, Head of Change Delivery, WYP (for items 1 – 8 only)
Mark Burns-Williamson, PCC (for items 1 – 6 only)
Joanne Campbell, Audit Manager, OPCC
Andrew Collins, Internal Auditor, OPCC (for item 13 only)
Paige Cowling, Business Support Officer, OPCC (for items 1 – 6 only)
Katherine Johnson, Treasurer, OPCC
Rob Jones, Director, KPMG
Ruth Langley, Finance and Commercial Services Director, WYP
Beverley Nichol-Culff, Head of Risk Management and Insurance, Shared Services
Julie Reid, Governance Manager, OPCC
Neil Rickwood, Head of Audit & Risk, Shared Services
Angela Williams, ACC, WYP (for items 1 – 4 only)

1. WELCOME & APOLOGIES

The Chair welcomed all to the meeting and, in particular, the Police and Crime Commissioner, who attends the committee on an annual basis, and ACC Angela Williams, who was attending to report on a matter arising.

Apologies had been received from Harry Bower, Nigel Brook (Ruth Langley attending) and Iain Leviston.

2. RECORD OF ATTENDANCE

Details of member and officer attendance at previous meetings of the committee were circulated for information.

3. MINUTES

The minutes of the meeting held on 5 January 2018 were agreed with the following amendments:

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Item 6: to read 'Trevor Lake questioned whether disciplinary record and cost was factored into the decision making'

Item 7: to read 'Catherine Folan'.

4. MATTERS ARISING

Item 6 – OPCC Business Update

Richard Baldwin asked for further information about the public consultation survey on the council tax precept and was advised that 78.9% of respondents were willing to pay more and 52.4% of respondents were willing to pay at least 5% more.

Mark Burns-Williamson explained that a precept increase of 8% was agreed by the Police and Crime Panel to enable continued recruitment of police officers and to protect PCSOs to strengthen neighbourhood policing.

Item 9 – HR risk management update

Trevor Lake reminded members that this was discussed in the last meeting and related specifically to an apparent discrepancy between risks identified at a local level and the strategic risks identified by the People Directorate.

ACC Williams advised the committee that she was responsible for the HR function, for learning and development and for professional standards, reporting that a number of new, external appointments had been made to the senior HR team in 2017.

Members were informed that locally identified risks are reviewed bi-monthly by the People Director and an assessment made as to whether they merited inclusion on the strategic risk register. Presently, risks relating to detective resourcing, resourcing of investigations into historic CSE, learning and development, movement of resources and staff postings and recruitment of officers were being assessed.

Committee was informed that 528 detectives had been recruited in the last three years, which was the second highest rate for a police force (the highest being the Metropolitan Police).

Trevor Lake commented that the District Commanders had articulated local risks very well and asked at what point these would be reflected.

Beverley Nichol-Culff advised the meeting that a new high-amber risk for workforce planning had been included on the risk register.

A discussion took place about the impact of recruitment of new officers on the organisation and on existing officers and staff, Trevor Lake suggesting that this should be considered for the strategic risk register by the new Head of Strategic Workforce Planning.

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Richard Baldwin queried whether the Force faced any retention issues and was informed by Angela Williams that, in the last year, twenty officers left to transfer to other forces but eighty officers joined West Yorkshire from other force areas. Approximately 300 officers had left the service, mainly as a result of retirement (which is planned for) and approximately 30 had voluntarily resigned.

Mark Burns-Williamson commented that 900 new police officers had been recruited since the recruitment drive began and detective resourcing was a national issue, facing all police forces.

Ann Liston asked about the risk relating to 'out of ticket' officers and staff. Angela Williams reported that the Chronicle system records 'in ticket' officers and staff. 1,125 officers 'in ticket' for PSU level two are required and, on last checking, 900 were 'in ticket', the balance being largely the result of outstanding first aid training. A deficit on the annual baton and cuffs training is a result of priority being given to front-line officers with safeguarding officers and those on light duties being assessed as a lower priority.

Beverley Nichol-Culff reported that the risk relating to the 'in ticket' recording system has been changed from high amber to green.

Members were not assured, as the present risk reflected the system rather than the numbers trained, but noted the plan for an internal audit review of the system and asked for the risk to be reviewed.

5. CHAIRS UPDATE

No updates were provided.

6. COMMITTEE ANNUAL REPORT

Members noted the annual report of the work of the committee and Rob Jones stated that he was satisfied with the coverage of the committee.

Trevor Lake reviewed the annual report, noting that the regular reports to the ethics session from PSD are very well written and that all areas highlighted by the committee are progressed.

Trevor Lake also commented that the Ethics Committee combined with the Good Governance Group provides a useful portfolio of meetings with which to evidence good governance.

Mark Burns-Williamson reported that the Joint Independent Audit and Ethics Committee provides important assurance and has a comprehensive agenda.

Trevor Lake reported that the Force has managed the financial crisis effectively and was now focussing on change management, particularly in relation to HR.

Mark Burns-Williamson advised that this was reported at the Joint Executive Group recently and a lot of work had already been done in terms of the Programme of Change. In terms of Government funding there is still some uncertainty, particularly in relation to

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funding Airwave. Whilst not pursuing a business case relating to fire service governance Mark Burns-Williamson reported that greater collaboration is planned with the fire service and it was pleasing to see the West Yorkshire Force receiving good gradings from HMICFRS and was moving forward on a new neighbourhood policing structuring.

The police and crime plan is presently being refreshed and Mark Burns-Williamson reflected on the recent statement by the Home Secretary about violent crime and the importance of work with partners and communities.

7. BUSINESS UPDATE

WEST YORKSHIRE POLICE

Ruth Langley provided an overview of Force performance up to 31 March 2018.

Trevor Lake queried the report that 30% of district users of mobile devices make at least 10 transactions each month and sought a further update from the Force on the use of mobile devices given the apparent low usage rate.

ACTION: Nigel Brook to report the next meeting on the extent of mobile device usage.

Ann Liston asked what the impact on the Force would be on ACC Battle's retirement in May 2018 and was advised that arrangements were in hand to recruit another ACC.

OPCC

Katherine Johnson advised the Committee that further financial reports would be provided at the July meeting; however, the MTFF for 2019/20 predicts a £4.8m shortfall, falling to £1m in 2020/21; the Force being in a better position partly as a result of the precept decision and also because of anticipated Fusion savings.

The West Yorkshire PCC leads on the national transforming forensics work which is funded by the Home Office transformation fund and is budgeted to cost £4m for the years 16/17 and 17/18. £10m is expected to be allocated to this area in 18-19 although the work will be focussed elsewhere (the West Yorkshire PCC will retain responsibility for governance).

Members were informed that the NPAS fleet replacement programme is continuing and a further report will be brought to the July meeting.

ACTION: Katherine Johnson to report to the July meeting on the NPAS fleet replacement programme.

8. TRANSFORMATION FUND UPDATES

Ruth Langley advised members that an initial £6m underspend had been reduced to £1.2m through financial year-end work and would be carried forward to 2018/19.

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Gill Bardsley outlined the Programme of Change end stage review and advised members that the review was a helpful reflection on learning before a new, portfolio approach is adopted.

Since 2013/14 over 50 projects have been delivered including scoping of all back-office functions. £26.3m was saved in 2015/17 and a further £13.8m of savings are anticipated through digitisation.

Members were informed that the Internal Audit team had been closely involved and the programme was also subject to an external assessment by Bradford Council as well as a HMIC PEEL assessment of outstanding.

Members' attention was drawn to the lessons learned from the Programme of Change including the need to align all future change to the organisation's strategic objectives with business benefits being defined at the beginning of any change proposal.

Richard Baldwin noted the importance of measuring change on the ground and not just the resources, which had been dedicated to achieving it and was advised that the portfolio approach will also look at tracking benefits.

Ann Liston commented that this was a good report and asked how the cashable savings compare to what was intended.

Ruth Langley advised members that the impact of the austerity drive and continuing pace of change had made the initial savings targets somewhat difficult to track effectively but extra financial resources are now in place.

Members were advised that the portfolio management office would visit and coach SLTs to ensure that individuals adopted the new approach.

Members also considered an update on the IT transformation projects. Trevor Lake queried the impact of agile working in terms of the risk of cybercrime and, in particular, the risks associated with the use of social media on agile devices.

ACTION: Nigel Brook to report on the management of the risk of cybercrime arising from use of social media on agile devices.

ACTION: Nigel Brook to report on actual cashable savings achieved against those predicted in the Programme of Change End Stage Review.

9. RISK MANAGEMENT UPDATES

(a) OPCC

Beverley Nichol-Culff provided an update on the OPCC risk register and advised members that she had also sought the risk register from the Mayor's Office for Policing and Crime (London) for benchmarking purposes.

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(b) West Yorkshire Police

Beverley Nichol-Culff provided an update on the Force's risk register advising members that a meeting of the risk management group on 9 April had added risks relating to the financial stability of a PFI contractor, Radox, Disclosure and the Digital First Programme.

Members welcomed the risk management reports and noted that the locally identified risks were comprehensive and demonstrated a culture change in the organisation.

10. INTERNAL AUDIT STRATEGY AND PLAN

Neil Rickwood introduced the Internal Audit Strategy and Plan and noted that this reflects international standards and is now linked more to the Police and Crime Plan and the Force Strategy.

Members acknowledged the value of Internal Audit's contribution to wider projects and were happy to accept and recommend the strategy and plan.

11. INTERNAL AUDIT PROGRESS AND SUMMARY REPORTS

Jo Campbell provided members with an update on progress against the 2017/18 Internal Audit plan advising that, of a review of 19 recommendations which were classed as fundamental or significant, 14 (74%) were ongoing. Members were also informed that 22 feedback surveys has been received with 84% giving a 'good' or 'excellent' rating.

Neil Rickwood further informed members that work is ongoing to implement the recommendations relating to the missing person's audit report, which was reported to the last meeting.

Trevor Lake queried the impact of the training associated with property handling not being rolled out because of cancellations and attendance issues and noted the ethical issue associated with officers and staff performing in situations without adequate training.

ACTION: Julie Reid to note a forward agenda item for the Ethics Committee to consider the ethical issues associated with officers and staff performing in difficult situations without appropriate training.

Richard Baldwin queried whether all Internal Audit recommendations were agreed with and was informed by Neil Rickwood that the audit process necessarily involves a dialogue with the auditees but the report now shows whether Internal Audit judge the response as acceptable.

Members went on to consider a business review of PNLD and were assured by this in-depth and comprehensive review, seeking an update in one years' time.

ACTION: Neil Rickwood to provide an update on the implementation of the PNLD Business Review at the meeting in July 2019.

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12. ASSURANCE FRAMEWORK

Members thanked Neil Rickwood for an excellent assurance framework, which took account of the governance arrangements and accountability in both OPCC and Force and requested an update in nine months' time.

ACTION: Neil Rickwood to provide an update on the assurance framework at the meeting in April 2019.

13. DATA QUALITY REPORT

Ruth Langley provided members with an update on progress in implementing recommendations arising from the Internal Audit review of data quality and noted that the focus was on GDPR. Members requested a further report on the numbers of incidents logged by the Head of Information Management with the Senior Information Risk Owner (SIRO).

ACTION: Nigel Brook to report on the numbers of data quality incidents logged with the SIRO by the Head of Information Management for 2017-18.

Members noted the lack of resilience for checking data errors on NICHE and requested an update in six months' time.

ACTION: Emma Aldred to provide an exception report to members on implementation of the internal audit recommendations into data quality in the October 2018 meeting.

14. EXTERNAL AUDIT PLAN

Rob Jones outlined the external audit plan for 2017/18 and confirmed that the risk assessment in the plan related to the accuracy of the financial statements rather than the risk to the Force itself.

Rob Jones outlined the value for money risks associated with financial resilience and NPAS, acknowledging that Nigel Brook had raised a concern that NPAS issues had the potential to impact negatively on the Force's value-for-money opinion.

Trevor Lake noted that the recruitment of over 500 new police officers was not reflected in the plan and Rob Jones confirmed that this would be referred to in the final version.

Richard Baldwin asked whether the faster close was likely to pose a problem and was advised by Rob Jones that this is not expected to pose a difficulty albeit the challenge is significant.

The committee accepted the external audit plan.

15. TREASURY MANAGEMENT STRATEGY

This item was deferred to the July meeting.

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ACTION: Julie Reid to include the Treasury Management Strategy on the July 2018 agenda.

16. SPONSORSHIP

Katherine Johnson provided an update on sponsorship received since December 2016 and reported that the regional procurement team assess potential conflict of interest before sponsorship is sought. Committee were reassured by the process and agreed that ethical considerations relating to sponsorship should be further considered.

ACTION: Julie Reid to include sponsorship on the July 2018 Ethics Committee agenda.

17. CYBERCRIME

Ruth Langley reported on the IT Security programme of work advising members that the Force is still awaiting accreditation for the Police Services Network from the Government Digital Service. Work is underway to replace a number of servers as part of a remediation plan and a further application will be made by the end of 2018. No operational impact is expected.

18. OPCC TRANSPARENCY

Julie Reid presented an overview of transparency arrangements in the OPCC and a submission to the CoPCC (Comparing PCC's) organisation for a transparency award.

Members discussed the feasibility of routinely publishing minutes of the committee and agreed that minutes of the audit session would be published and action notes of the ethics session would be published.

ACTION: Julie Reid to arrange to routine publication of audit committee minutes and ethics committee actions.

19. ANY OTHER BUSINESS

Members requested a lessons learned report relating to the former Chief Constable conduct matter and were advised that this would be reported to the next meeting.

ACTION: Julie Reid to include a lessons learned report on the former Chief Constable conduct matter on the July 2018 agenda.

**Date of the next meeting:
20 July 2018**

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