



**MINUTES OF THE JOINT INDEPENDENT AUDIT and ETHICS COMMITTEE
(POLICE AND CRIME COMMISSIONER FOR WEST YORKSHIRE
AND WEST YORKSHIRE POLICE)
HELD ON 12 APRIL 2019**

AUDIT SESSION

MEMBERS PRESENT

Trevor Lake (Chair)
Julie Talbot
Julie Winham

OFFICERS PRESENT

Joanne Campbell, Internal Audit Manager, Shared Services
Joe Hanks, Grant Thornton
Katherine Johnson, Treasurer, OPCC
Ruth Langley, Finance and Commercial Services Director, WYP
Ellen Millington, Grant Thornton
Beverley Nichol-Culff, Head of Risk Management and Insurance, WYP
Julie Reid, Governance Manager, OPCC
Neil Rickwood, Head of Audit and Risk, Shared Services
Jayne Sykes, Interim Chief Executive, OPCC, for items 1 - 5

1. WELCOME & APOLOGIES

Trevor Lake opened the meeting and welcomed Ruth Langley and Joe Hanks (Grant Thornton). Apologies were noted from Nigel Brook and Paul Grady (Grant Thornton).

2. DECLARATIONS OF INTEREST

None declared.

3. RECORD OF ATTENDANCE

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

4. MINUTES

The minutes of the meeting held on 4 January 2019 were agreed as a correct record with the following correction:

Item 5, Chair's update, to be renumbered to item 6.

Members noted that the minutes of the July 2018 meeting had still not been published on the internet. It was agreed that sensitive information would be redacted to allow the minutes to be published.

ACTION: Julie Reid to publish minutes of the July Joint Independent Audit and Ethics Committee with appropriate redaction of sensitive and personal information.

5. MATTERS ARISING

OPCC Delivery Plan

Members had queried the outcome measures in the draft Delivery Plan in the January 2019 meeting and had sought further information. Jayne Sykes provided a verbal update on the OPCC delivery plan explaining the relationship between the governance framework, the Police and Crime Plan and the Delivery Plan and provided an example of a quarterly delivery activity report.

Jayne Sykes explained that the Delivery Plan is supported by delivery activity performance reports which are subject to robust governance arrangements – the approach is qualitative rather than quantitative.

Members recommended that the Plan ought to accurately reflect the approach taken (in the '*how we measure delivery*' section) and asked for an updated Delivery Plan to be provided to the next meeting for information.

ACTION: Jayne Sykes to provide members with an updated OPCC Delivery Plan clearly identifying the delivery measurement.

Risk Management Training and Support

Members noted that a further risk management training course is available on 11 and 12 June 2019.

Item 5.1 Assurance Framework

Members considered the updated Assurance Framework and thanked Neil Rickwood for a good and comprehensive piece of work.

Members suggested that the Framework should include external assurance (External Audit) and should be colour coded to assist users.

Katherine Johnson confirmed that the Framework would be reported to the Joint Executive Group.

ACTION: Neil Rickwood to amend the Assurance Framework to include reference to External Audit and to colour code the levels of assurance.

Item 5.2 Data Quality Report

Ruth Langley provided an update on the data quality work that is being done by the Force.

Julie Winham asked when the national data standards and the Home Office report on the West Yorkshire performance dashboard are likely to be published. Trevor Lake requested an update in the Force business update at each Committee meeting.

ACTION: Nigel Brook to report to Committee on the publication dates for the national data standards and the Force performance dashboard report by the Home Office.

ACTION: Nigel Brook to provide a data quality update report at each committee meeting.

Item 5.3 Working Time Directive

Ruth Langley presented a report on working time compliance in the Force.

Trevor Lake requested further information about how the working time of senior officers and staff is monitored.

Julie Winham sought reassurance as to how the Chief Officer Team review the data on compliance with the Working Time Directive and what checks are in place on the accuracy of the rostering system.

ACTION: Nigel Brook to provide a verbal update to the next meeting to explain working time monitoring for senior officers and senior staff, Chief Officer review of compliance data and rostering system checks.

Item 5.5.1 Sample Client Audit Feedback

Members were previously supplied with a number of audit-feedback reports.

Julie Winham asked if the time taken to provide feedback to audits was recorded and was advised that this will be built in to the process.

Julie Winham also asked if poor feedback is followed up with the client and was advised by Neil Rickwood that it is.

Item 5.6 Evidential Cash Handling audit report

Members were previously supplied with the Internal Audit report on evidential cash handling and were informed that further audits on seized cash are due in 2019, including unannounced cash audits along with an internal audit review. Beverley Nichol-Culff suggested the audit should also include cryptocurrency.

ACTION: Neil Rickwood to report back to committee on Internal Audit reports into seized cash and currency and advise how cryptocurrency will be included.

Item 5.7 Committee Terms of Reference

Members received a report which compared the Audit Committee terms of reference with CIPFA guidance.

Julie Winham noted that the public sector internal audit standards require audit committees to approve the Internal Audit Department budget and resourcing and was advised by Katherine Johnson that, as the Joint Independent Audit Committee is an advisory body rather than a governance body, this would be inappropriate.

Julie Winham also noted that, although not specifically included in the CIPFA guidance, the public sector standards require the Audit Committee to consider the performance appraisal of the Head of Internal Audit.

It was agreed that the terms of reference should be reviewed further by the Chair.

ACTION: Trevor Lake to review the terms of reference for the Joint Independent Audit Committee.

6. CHAIR'S UPDATE

None given.

7. BUSINESS UPDATES

WEST YORKSHIRE POLICE

Ruth Langley provided a business update for members confirming that the Chief Constable Dee Collins will retire at the end of April 2019 and the Deputy Chief Constable, John Robins, will continue to act-up until a new appointment is made. ACC Russ Foster will continue to act as Temporary Deputy Chief Constable and Mark Ridley will continue to act as Temporary Assistant Chief Constable. C/Superintendent Oz Khan will become the District Commander in the Bradford District and Superintendent Simon Bottomley will become Head of Professional Standards Department. C/Superintendent Scott Bissett will become Chief Operating Officer for NPAS, C/Superintendent Owen West has indicated his intention to retire and C/Superintendent Tyron Joyce will become Commander in the Operational Support Department.

Members received a Force performance report for March 2019, noting the continuing growth of 999 calls that are being dealt with by officer abstraction, a continuing increase in recorded domestic incidents and recorded crime and a reduction in missing persons occurrences.

Members were provided with a revenue budget monitoring report for February 2019 and were informed that a predicted overspend will now be offset by a £1.2m Home Office historic CSE grant which was awarded on 31 March. The capital budget overspend is anticipated to be £1m (from an overall budget of £16m).

Members were informed that the transformation fund projects are now complete, Trevor Lake requested that the committee is provided with copies of the benefits realisation reports in due course and by later than the end of 2019.

OPCC

Katherine Johnson provided a business update, reporting that a three-month review of NPAS governance and delivery models is underway, agreed by a working group of the Association of Police and Crime Commissioners, National Police Chiefs' Council, the Police and Crime Commissioners' Treasurers Society and the Association of Police and Crime Commissioners' Chief Executives.

Members were informed that a business case has been drafted for submission to the Home Office for the replacement of five helicopters.

An aviation review is also underway, led by the NPCC aviation lead with contributions by the Temporary Chief Constable, PCC, Katherine Johnson and representatives from the NPAS review team.

ACTION: Katherine Johnson to report to Committee in October 2019 with an update on the NPAS Governance and Delivery Review and the Aviation Review.

Members sought confirmation that the accounts workshop will be held in the Audit Committee meeting in July 2019 and were offered an accounts induction meeting before that date.

ACTION: Katherine Johnson to provide members with accounts induction before the next meeting.

8. DRAFT ACCOUNTING POLICIES

Ruth Langley presented the draft accounting policies for 2018-19 and informed members that two new accounting policies had been introduced for 2019, relating to the categorisation of assets and liabilities and the recognition of revenue from contracts, neither of which will cause significant changes to the statement of accounts.

Julie Winham queried whether there was a specified minimum level of reserves and was advised by Katherine Johnson that the reserves strategy requires a minimum deposit of 2.5% of the net revenue budget to be maintained.

9. OPCC ANNUAL GOVERNANCE STATEMENT

Katherine Johnson reported on the draft OPCC annual governance statement, confirming that this will be published as part of the accounts.

Julie Winham asked whether any significant internal audit issues should also be included and was advised that the views of the Head of Audit and Risk were sought before the Governance Statement was drafted.

Ellen Millington agreed to provide feedback outside of the meeting.

ACTION: Ellen Millington to provide feedback on the draft OPCC Governance Statement.

10. RISK MANAGEMENT

OPCC

Beverley Nichol-Culff reported on the OPCC risk register advising members that the risks were approved at an Executive Team meeting on 29 March. Members were informed that there currently 14 risks, including three red risks.

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Beverley Nichol-Culff reported on the Force risk register advising members that the risks were reviewed on 29 January and, since that point, the contract framework for interpreters had been implemented. The national business case for the Emergency Services Mobile Communications Programme remains to be agreed which has delayed the introduction of this system.

Members were informed that an emerging risk relating to officer and staff mental health had been identified and also that the risk relating to the storage of digital evidence has been escalated from a local to a strategic risk.

Julie Talbot sought assurance that the risks were appropriately managed and controlled and was advised that the Risk Management Group and OPCC Executive Team regularly review each risk and the effectiveness of the controls that are in place.

Julie Talbot noted that the OPCC register includes a new risk relating to violent crime which isn't reflected in the Force register and Beverley Nichol-Culff advised that this will be raised with the D/Chief Constable.

Julie Talbot queried risks associated with BREXIT and was advised that this is presently reflected in risks relating to operational support, staffing and IT and is subject to a Gold Group assessment as part of a review of all BREXIT related matters.

Julie Winham queried the effectiveness of actions that are identified as 'ongoing' and was informed that this reflects ongoing monitoring of the actions.

Julie Winham questioned the reduction of the risk relating to child protection investigations in Calderdale in terms of outstanding investigations and was advised that the risk had been reviewed locally by the District Commander and agreed with the D/Chief Constable in the Risk Management Group.

Trevor Lake noted that the local risks appeared to be very well drawn up but not always linked up at a strategic level, pointing to the risks relating to increased demand and increased officer recruitment, which have been identified at a strategic level, whilst the risks associated with an influx of inexperienced officers who require supervision and support remain local risks only.

Trevor Lake stated that the Committee was not assured that a fully effective process is in place to identify the risks involved in fully integrating new starters and direct entry detectives and that the People Directorate do not appear to be reflecting the concerns raised by local Commanders at a corporate and strategic level to manage this risk effectively. Beverley Nichol-Culff stated that this would be discussed at the next Risk Management Group meeting.

Jo Campbell informed members that the detective recruitment plan is in the Internal Audit workplan for 2019.

11. INTERNAL AUDIT STRATEGY AND PLAN

Neil Rickwood presented the draft internal audit strategy and draft internal audit plan, including the internal audit charter and strategy for the period 2019-22.

Julie Winham asked if Internal Audit also do non-audit work and was advised that 50 days are included in the plan for OPCC related work.

Julie Winham also asked if a contingency has been included to deal with allegations of fraud and was advised that 50 days are included as a contingency. Members were also informed that 100 days are included for NPAS internal audit matters.

12. INTERNAL AUDIT PROGRESS REPORT

Jo Campbell presented an Internal Audit Progress Report which showed that 23 out of 40 audits were finalised with responses received, responses are outstanding for two audits, two audits are in draft and 13 audits are in progress.

Julie Winham asked if the outstanding audits prevented an opinion being given and was advised that the outstanding audits would be carried forward to the next year and, therefore, would not prevent an opinion being given.

13. EXTERNAL AUDIT REPORT

Ellen Millington presented the External Audit Plan for the year ending 31 March 2019 and drew members' attention to the planned scope of the audit, including the proposed response to identified risks, the materiality levels that have been set and the requirement to give a conclusion on value for money arrangements.

Julie Talbot noted the use of cloud-based analytics software, querying the data protection implications arising from this and was advised that the privacy notice for Grant Thornton is available on the company's website.

Ellen Millington also presented the External Audit progress report which included the findings of an interim audit conducted in January 2019, the timeframe for reporting on the joint audit and a public sector/police sector update.

14. DRAFT TREASURY MANAGEMENT STRATEGY

Katherine Johnson presented the draft treasury management strategy and drew members' attention to a change to the minimum revenue provision policy that previously was based on a reducing balance approach but is now accounted for based on equal annual instalments over the estimated life of the asset. Members were also advised that the short-term investment timeframe has been changed from 364 days to 365 days in order to benefit from higher interest rates.

Trevor Lake queried the impact of the capital strategy on borrowing and was advised by Ruth Langley that the capital strategy is tied into the authorised borrowing limits.

Julie Winham noted the service level agreement with Wakefield Council for the provision of treasury services and sought assurance as to the effectiveness of this arrangement. Katherine Johnson confirmed that Wakefield Council are subject to audits and regular meetings are held with the treasury team. Members were advised that the treasury support arrangements will be put on a contractual basis in one years' time and will also be subject to internal audit review.

Katherine Johnson stated that treasury management training support is available from Wakefield Council and offered members the opportunity to attend.

ACTION: Katherine Johnson to provide dates for treasury management training for members.

Trevor Lake confirmed that members were content to recommend the draft Treasury Management Strategy to the PCC for approval.

15. TENDER EXCEPTION REPORTING

Members received a report on tender exceptions.

Julie Talbot sought assurance that the Force was content that the contracts for wide area network (530) and telephony (531) provide value for money and was informed by Ruth Langley that £665,000 had already been identified in savings across both contracts.

Julie Winham requested further information and assurance about the rolling forward of these two contracts.

ACTION: Nigel Brook to provide further information and assurance to members regarding the rolling forward of contracts for wide area network (530) and telephony (531).

16. ANY OTHER BUSINESS

None.

Next meeting: 10:00, 19 July 2019, Ploughland House.