



**MINUTES OF THE JOINT INDEPENDENT AUDIT and ETHICS COMMITTEE
(POLICE AND CRIME COMMISSIONER FOR WEST YORKSHIRE
AND WEST YORKSHIRE POLICE)
HELD ON 4 JANUARY 2019**

AUDIT SESSION

MEMBERS PRESENT

Trevor Lake (Chair)
Julie Talbot
Julie Winham

OFFICERS PRESENT

Nigel Brook, ACO Business Operations, WYP
Katherine Johnson, Treasurer, OPCC
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

1. WELCOME & APOLOGIES

Trevor Lake opened the meeting and welcomed Ellen Millington from Grant Thornton. Apologies were noted from Paul D Grady (Grant Thornton), Jo Campbell and T/DCC Russ Foster.

2. DECLARATIONS OF INTEREST

Trevor Lake declared that, from 1st January 2019, he would be Chair of the Barnsley NHS Foundation Trust (declared in 'any other business').

No other interests were 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 12 October 2018 were agreed as a correct record.

5. MATTERS ARISING

Item 21.1 – minute 5, 12 October 2018

Julie Talbot queried the letter received from the Prison Service regarding the Reducing Re-offending post. Trevor Lake outlined the Committee's reasoning for requesting the letter, which was to confirm that an appropriate process was followed in appointing to this position. Katherine Johnson explained that the previous interim Chief Executive had been appointed to this post which was partly funded by WYPCC and the committee had sought reassurance that an appropriate process had been in place in appointing her to the role.

Item 9 – Freedom of Information / GDPR update

Julie Talbot sought further information about the reason for the ICO audit and was advised by Nigel Brook that the audit was not a statutory inspection – the Force had agreed to be audited and the outcome had been good.

Item 5.2 – HR structure chart

Nigel Brook confirmed that this would be circulated outside of the meeting.

Item 5.1.2 – Delivery Plan

Members received the draft Delivery Plan and agreed that the final plan should be reported to Committee in due course.

ACTION: Jayne Sykes to report the final Delivery Plan to the April 2019 committee meeting.

Julie Winham queried whether the plan was late as the Police and Crime Plan was dated 2018 and was advised that the Police and Crime Plan was for the period 2016 – 2021, being refreshed in 2018.

Trevor Lake noted that there was still work to do in terms of how completing the sections on how delivery will be measured and expressed concern as to the number of areas still to be completed in this section, noting that the ones already completed were not effective measurements, more objectives or aims. Trevor Lake suggested that the Delivery Plan should be more closely aligned to the Assurance Framework.

Item 5.1.3 – Commissioning Strategy

Members received the draft Commissioning Strategy.

Julie Winham asked how much stakeholder engagement had been done and was informed by Katherine Johnson that the OPCC is guided by the Regional Procurement Department and, to the extent that engagement is possible, partners have been involved. Members were informed that this is the first Commissioning Strategy for the PCC and follows partner engagement events and consultation with the PCC's strategic boards.

Julie Talbot asked how the spend is monitored and was advised that individual Strategic Advisers are responsible for the budget in their areas and were supported by the Head of Commissioning and Senior Contracts Officer along with Executive Management Team oversight.

Trevor Lake queried due diligence checks on the bodies receiving funding and was advised that the commissioning process followed the PCC's contract procedure rules and was supported by Regional Procurement Staff. The Internal Commissioning Group, chaired by the Treasurer, oversees the commissioning process. Lower level grants issued through the PCC's Safer Communities Fund (POCA funding) are assessed by a Board of internal and external members.

6. CHAIR'S UPDATE

Trevor Lake informed the meeting that the recruitment process had been successful in recruiting two new members to the Audit and Ethics Committee and that there remained a need to recruit a further member, ideally with a stronger ethics experience to deliver the full complement of experience for the committee.

7. BUSINESS UPDATES

WEST YORKSHIRE POLICE

Nigel Brook advised members that, as at 30 November 2018, the revenue budget had a £0.9m overspend which is forecast to reach £1.12m by the end of the financial year. The capital budget had expenditure of £7.8m, which was expected to rise to £16.144m by the year-end.

The Home Office grant for 2019-20 had been increased by 2.1% and a one-off grant of £5.1m had been awarded to meet the additional costs associated with a change in pension accounting. The employer's rate for police pensions is now 31%.

A balanced budget will be set for 2019-20 after implementing savings options and after allowing for a 2% cost of living award.

Trevor Lake noted that members had been provided with two very good reports; 'Demanding Times' and the 'Force Management Statement'.

Nigel Brook drew members' attention to the increase in demand for policing which was described in the December performance update.

Members were informed that the Government's strategy of reducing the numbers of people released on bail has led to an increase in the numbers of individuals being released whilst still under investigation but without charge.

Members' attention was drawn to the fall in recorded firearms discharges and the increase in recorded crime, 6% of which is estimated to be due to repeat victimisation. An HMICFRS inspection on crime recording is presently taking place.

Members were informed that the negotiation with PFI providers of the Range 4 firearms training hub is ongoing but drawing to a conclusion. The PFI providers of the custody suite at Elland Road are on-site to rectify the problem relating to wall coverings and work to rectify the same problem at the Normanton custody suite is expected to be completed in July.

In terms of Digital Policing services, members were advised that new mobile hand-held devices are due to be rolled out in February and March and use of the AI system, TOBI, has seen approximately 90% of queries dealt with.

A number of IT projects are being planned, including the introduction of Office 365, a revised integrated command and control system, a customer relationship system and introduction of Power Bi (a data analytics system) alongside development of a national ANPR system.

Julie Talbot asked whether members could be provided with financial reports and it was agreed that members would be provided with mid-year financial reports.

ACTION: Nigel Brook to provide members with mid-year financial reports (for the October meeting).

Julie Winham asked how embedded the 'Demanding Times' report was into the risk management approach and was advised that the report is produced with strategic contribution by the D/Chief Constable and is discussed in Force Accountability Meetings. Members were also informed that the Strategic Tasking Group, which considers risk, threats and harm, is chaired by the Chief Constable.

Julie Winham noted that the public expectations, identified in S7, are at odds with the Force's priorities. Members discussed this point and Nigel Brook observed that, when focus groups are provided with the bigger picture, the expectations align more closely with Force priorities.

OPCC

Katherine Johnson provided an update to members and noted that the PCC had agreed to consult the public on an increase in the Band D Council Tax precept of £24 per year. So far, from 300 online responses to the 'Your Views' survey, 60% of respondents are in favour. Nationally, approximately 80% of PCCs are seeking a levy of £24 per year.

The PCC had been awarded a £1m grant to fund joint work with partners on early intervention initiatives.

Members were advised that the Criminal Justice Adviser is now in post and the reducing reoffending strategy is about to be finalised.

8. RISK MANAGEMENT

OPCC

Beverley Nichol-Culff presented the OPCC strategic risk profile and advised members that the OPCC and Force follow a similar process for identifying and managing risks.

Members noted the red risk relating to NPAS governance and were informed that a governance review is underway (co-ordinated by the NPCC and APCC).

Trevor Lake noted the risk relating to staffing pressures and sought an update on the Chief Executive position. Katherine Johnson confirmed that the secondment agreement with North Yorkshire OPCC ends in June but the PCC for North Yorkshire has requested an earlier end-date of the end of March and, therefore, the substantive Chief Executive will return to West Yorkshire at that point.

Julie Talbot asked how urgent matters are dealt with in terms of risk management and was advised that urgent risks are escalated immediately. Beverley Nichol-Culff clarified for members that the gross risk score relates to a position if all controls failed and the net risk score reflects the risk with the identified controls in place.

Members were offered risk training and awareness sessions with the opportunity to attend formal risk training on 11-12 June and the option of a meeting with the Risk and Insurance Manager before the next committee meeting.

ACTION: Beverley Nichol-Culff to contact members to offer further risk management training and support.

WEST YORKSHIRE POLICE

Beverley Nicol-Culff presented the West Yorkshire strategic risk profile, which had been agreed by the Risk Management Group, a quarterly meeting chaired by the D/Chief Constable.

Julie Winham queried management of the terrorism risk and was informed that this is done by the Counter Terrorism Unit, which provides assurance information to the Force.

Trevor Lake noted the terrorism risk and asked whether mental health assessment services are available to detainees and was advised by Nigel Brook that a contract is in place for those detained in custody suites.

Julie Winham asked if risk management is included in the Internal Audit workplan and was advised that it was. The Head of Audit, Risk and Assurance is also a member of the Risk Management Group in Force.

9. INTERNAL AUDIT UPDATE

Neil Rickwood presented the Internal Audit update and drew members' attention to the slightly lower number of audits reported which is due to internal staffing pressures. The target number of audits is 40 per year.

Members were advised that a follow-up of the Missing Persons audit had identified some outstanding work. The issues remaining relate to legacy data quality issues and to capacity within the team.

Members were advised that limited assurance had been gained from the Corporate Training Requirements audit although there were some notable good examples such as dementia training, which had been provided internally in Calderdale District.

Trevor Lake contrasted this report, which had noted that centralised training records were not kept for all staff and officers, with the assurance given by the HR Director previously that the Chronicle system records all training.

Nigel Brook clarified that all training which is mandatory is recorded on Chronicle but this does not extend to local training, which is managed locally rather than centrally.

Members requested a further follow up update on the Corporate Training Requirements audit at the next meeting.

ACTION: Neil Rickwood to provide members with a follow-up report on the Corporate Training Requirements audit at the April 2019 meeting.

Members also requested further information about the internal audit planning process.

ACTION: Neil Rickwood to provide members with further information about the internal audit planning process and to provide members with the internal audit workplan.

Julie Winham asked whether Internal Audit performance is reported against the sector professional standards and was informed that an external quality assessment process is in place. It was also confirmed that client feedback is voluntary.

Julie Winham requested further information on the client feedback returns, differentiated by rank and including any narrative feedback. Julie Winham also sought a copy of the cash-handling audit report.

ACTION: Neil Rickwood to provide members with a sample of Internal Audit client feedback returns, including narrative responses, from a range of ranks.

ACTION: Neil Rickwood to provide members with the cash-handling audit report.

10. EXTERNAL AUDIT REPORT

Ellen Millington presented members with Grant Thornton's external audit report and noted that planning had begun for the financial accounts audit. Members were also advised that the value-for-money audit would include transformation plans.

Members will be provided with the external audit plan at the next meeting along with the results of early testing. The external audit findings will be reported to the July meeting.

11. REVIEW OF TERMS OF REFERENCE

Members reviewed the terms of reference and workplan for the Committee and agreed to consider the draft annual accounts and the governance statement in the April meeting. The workplan will also replace 'transformation fund update' with 'Fusion update'.

Julie Winham queried whether the terms of reference had been assessed against the latest CIPFA update and Trevor Lake agreed to review the terms of reference outside of the committee.

ACTION: Trevor Lake to assess the Committee Terms of Reference against the CIPFA guidance (2013).

12. COUNTER FRAUD AND COUNTER CORRUPTION STRATEGY

Neil Rickwood introduced the Counter Fraud and Counter Corruption Strategy.

Julie Winham queried ownership of the strategy and how the Internal Audit function maintained independence. Members were advised that the strategy is jointly owned with Professional Standards Department (PSD). Julie Winham queried the action plan; timescales and accountable officers and Neil Rickwood stated that he would review the strategy and discuss with the Head of PSD.

Julie Talbot asked how the Strategy was disseminated to officers and staff and Neil Rickwood agreed to report back to Committee on this.

ACTION: Neil Rickwood to report to the April 2019 meeting following a further review of the Counter Fraud and Counter Corruption Strategy and provide information about how the Strategy is disseminated to officers and staff.

13. TENDER EXCEPTION REPORTING

Members received a report on tender exceptions and noted that this will be provided at each meeting.

14. ANY OTHER BUSINESS

None.

Next meeting: 10:00, 12 April 2019, Ploughland House.