



**MINUTES OF THE JOINT INDEPENDENT AUDIT and ETHICS COMMITTEE
(POLICE AND CRIME COMMISSIONER FOR WEST YORKSHIRE
AND WEST YORKSHIRE POLICE)
HELD ON 8 JANUARY 2021**

AUDIT SESSION

Video Conference.

MEMBERS PRESENT

Trevor Lake (Chair)
Julie Talbot
Julie Winham

OFFICERS PRESENT

Stuart Armstrong, Grant Thornton
Joanne Campbell, Internal Audit Manager, WYP
Julie Edwards, Head of Accountancy, WYP
Katherine Johnson, ACO, WYP
Beverley Nichol-Culff, Head of Risk Management and Insurance, WYP
Julie Reid, Governance Manager, OPCC
Neil Rickwood, Head of Audit and Risk, WYP
Angela Taylor, Director of Corporate Services, WY Combined Authority (to item 5.1)

1. WELCOME & APOLOGIES

Trevor Lake welcomed everyone to the meeting, noting that Katherine Johnson was attending in her new role as Assistant Chief Officer with West Yorkshire Police. Trevor thanked Katherine for her work as OPCC Treasurer over the previous six years and also the considerable support that she had given to NPAS. Apologies were noted from 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, Trevor Lake noting full attendance from independent members.

4. MINUTES

The minutes of the meeting held on 2 October 2020 were agreed as a correct record.

5. MATTERS ARISING

Item 5.1 West Yorkshire Combined Authority

Angela Taylor, Director of Corporate Services for the West Yorkshire Combined Authority, provided a verbal update of the plans for devolution in West Yorkshire. Members were informed that, after the PCC elections, which were planned for May 2020, were delayed because of the COVID-19 pandemic, Ministers agreed that the Police and Crime Commissioners functions should transfer to the Mayor for West Yorkshire on their election in May 2021. The short timeframe for transfer and the added restrictions and work arising from the pandemic have combined to create a challenging and complex programme of work which draws heavily on staff in both West Yorkshire Police and the OPCC.

The Combined Authority have appointed a project manager to lead on the work which is being progressed through a number of work streams involving staff from all three organisations. Requests for further resources from Central Government have not been successful although the Combined Authority have agreed to release funding from the devolution Gainshare fund to support the ICT transition work and a further legal resource (this can be accessed once the Parliamentary Order has been approved).

It is anticipated that the Joint Independent Audit and Ethics Committee will continue and will work alongside the Combined Authority's Governance and Audit Committee, further work is being done to review this and will be reported back to Committee.

Trevor Lake thanked Angela for attending.

Julie Winham asked if any lessons could be learned from the Greater Manchester model and was advised that staff in the Combined Authority are liaising with those in the Greater Manchester Mayor's Office.

Julie Talbot noted recent publicity surrounding accountability for Greater Manchester Police's crime recording and the role of the Mayor.

Trevor Lake noted that the governance arrangements – for the Police and Crime Panel and the Combined Authority – are mainly composed of elected members and will need to be mindful of conflict and the need to evidence independent oversight, He welcomed the WYCA Chief Executive's experience in the Sheffield City Region.

Item 5.2 Review of Agile Working

Katherine Johnson presented a review of agile working during the pandemic which had been undertaken by West Yorkshire Police and noted that further work is being done to review the agile working policy and consider associated health and safety matters.

Julie Winham queried whether an adverse impact on productivity is apparent and was advised that the review was based on feedback from Line Managers. In the OPCC there had been no reduction in performance but a reported impact on staff welfare.

Trevor Lake noted the potential for staff to experience anxiety from the demands of working from home whilst balancing other competing demands. Trevor Lake also queried whether 'Zoom' / Teams are available as alternative video conferencing platforms as it is a more user-friendly platform for meetings over nine persons.

ACTION: Katherine Johnson to provide clarification as to whether 'Zoom' / Teams can be used by staff and officers as a video conferencing platform.

5.3 Counter Fraud and Counter Corruption

Neil Rickwood presented an addendum to the Counter Fraud and Counter Corruption Police to address internal risks associated with the COVID-19 pandemic, confirming that new work streams had been identified in relation to acting on lessons learned, health and safety compliance and a range of other audit activities.

5.4 Counter Fraud and Counter Corruption Policy Rollout

Neil Rickwood advised members that the policy is included in the Police Officer induction processes but awareness amongst Force volunteers would be reviewed.

5.6 PPE Review

Neil Rickwood presented an Internal Audit review of the procurement of PPE during the COVID-19 pandemic. Members were advised that the report reflected a point in time in a rapidly changing environment and did not, therefore, make specific recommendations.

5.9 Origins HR DPIA

Members received the Data Processing Impact Assessment for the Origins HR database. Trevor Lake queried whether information-sharing agreements are in place (point 2.10.5) and sought further information as to the database's encryption.

ACTION: Katherine Johnson to report on encryption in the Origins HR Database and whether information-sharing agreements are in place.

6. CHAIR'S UPDATE

None.

7. BUSINESS UPDATES

(a) OPCC

Katherine Johnson provided an update on arrangements which had been made for Statutory Officer roles in the OPCC in view of the potential transfer to the Combined Authority in May 2021. Members were informed that a review of the Interim Chief

Executive position had determined an additional business need relating to the complexity of the NPAS transfer and experienced legal skills and knowledge. The role was advertised and Janine Nelson was appointed on a one year fixed term contract as Chief of Staff with effect from 1 January 2021 to discharge the statutory duties of the Chief Executive Officer as set out in the Police Reform and Social Responsibility Act 2011; including exercising the role of monitoring officer and ensuring an efficient and effective office of the PCC whilst leading the transition of the OPCC to WYCA. Julie Reid continues as deputy monitoring officer in the absence of the Chief of Staff.

Katherine Johnson has been appointed as the Assistant Chief Officer in West Yorkshire Police from 1 January 2021 but with retention of the statutory responsibility as Treasurer until an Interim Treasurer can be appointed, which is in line with the present contingency arrangements for this position. Katherine will retain responsibility for budget setting to the end of February. The Treasurer role is planned to be filled on an interim basis as the S151 role will already be in place in the Combined Authority after the election.

In the wider Executive Team honoraria awards have been given to the Governance Manager and Head of Commissioning who have accepted extra responsibilities and have joined the Executive Team to provide increased resilience and breadth. The Deputy Police and Crime Commissioner is taking a period of family-related leave and unlikely to return before the transfer to WYCA.

Members were also informed that the shared services teams, Internal Audit, PNLD, Viper, Risk and Assurance and the Commercial Lawyer posts were not in the scope for the transfer to the Combined Authority and had transferred to West Yorkshire Police after confirmation that the majority of the work of those posts was done for the Force. The transfer to West Yorkshire Police means that Internal Audit staff will retain access to Force systems and data and audit provision to the OPCC/Deputy Mayor's Office will be via a service level agreement.

Trevor Lake queried how the independence of the internal audit function will be maintained and was advised that the Head of Internal Audit has a direct reporting line to the Assistant Chief Officer. Members requested a further report on how the independence of the internal audit function will be assured after transfer.

ACTION: Katherine Johnson to report to Committee on how the independence of the Internal Audit function will be assured following the transfer to West Yorkshire Police.

(b) West Yorkshire Police

Katherine Johnson provided a business update to members advising that the COVID-19 Gold Group continues to operate with the present restrictions relating to Tier 4 due to expire on 31/03/2021 but reviewed every three weeks.

Members were informed that a public survey on the proposed precept had returned support for a £15 increase on the Band D Council Tax (78% in support to date). Katherine Johnson confirmed that the funding settlement included funding for the police officer uplift and associated costs but was still challenging.

Julie Talbot queried the medium term financial forecast and was advised that a balanced budget is being proposed for 2021-22 with deficits of £16.8m and £21.9m for 2022-23 and 2023-24 respectively based on a flat cash analysis, at this stage it is unclear whether the pay award will be funded. A balanced budget for 2021-22 has been because the settlement was slightly higher than expected (£7m) and with £15m of savings.

8. DRAFT ACCOUNTING POLICIES

Julie Edwards presented a report on draft accounting policies (international accounting standards issued but not yet accepted) advising that minimal impact was anticipated and IFRS16, leases, has been further postponed to 2022. Members were advised that preparatory work has already been done for this.

9. EXTERNAL AUDIT REPORT

Stuart Armstrong presented the External Audit Findings Report and the Annual Audit Letter for 2019-20 reporting that an unqualified opinion had been issued in accordance with the November 2020 deadline (with only 45% meeting this deadline nationally). The audit noted the uncertainty in the valuation of land and buildings and the property assets of the pension fund resulting from the COVID-19 pandemic but this did not affect the audit opinion.

Julie Talbot noted that more recommendations had been made this year and queried controls in relation to journal entries. Members were advised that a more in-depth audit had been conducted to meet regulations. Limitations in the financial system meant that a listing of journal entries was not able to be produced at the transaction level, work will be planned before the next audit commences to provide assurance information in respect of this. A new finance system is presently being procured. Trevor Lake noted the urgency of this and requested an update.

ACTION: John Prentice to report to the July Committee with an update on work to update the finance and HR systems.

Julie Talbot queried the extent that internal audit reports are relied upon in the external audit and was advised that the internal audit reports are used to prepare risk assessments. The recommendations will be incorporated into the external audit cycle.

Julie Talbot queried an increase in external audit fee and was advised that this was due to additional work required as a result of COVID-19 and additional estimates and reviews that have been required, fees are subject to PSAA agreement.

Stuart Armstrong also reported to members on the Redmond Review which was published in September 2020. The review noted the difficulties experienced by organisations in meeting the accounting deadline and proposed a deadline of 30 September from 2021 (from July). Members were advised that the Parliamentary Order to enact the West Yorkshire devolution deal had a closedown date of 9 May 2021 (a thirteen-month accounting period).

10. RISK MANAGEMENT

(a) OPCC

Beverley Nichol-Culff presented a report on OPCC risks which had been agreed on 10 December 2020 noting one red, two high amber, seven low amber and one green risk. Members were informed that the NPAS risk (relating to OPCC capacity) had improved and colleagues in the Combined Authority were now attending NPAS Board meetings.

Trevor Lake noted a very good report.

Julie Winham queried capacity in terms of the action dates which are recorded and was advised that capacity issues are reflected in other risk descriptions.

Trevor Lake queried devolution risks and was advised that programme level risks are managed by the Combined Authority's Programme Board whilst local risks are managed by the OPCC and West Yorkshire Police. Trevor Lake requested a report from the Combined Authority on programme risks.

ACTION: West Yorkshire Combined Authority to be invited to the next committee to report on devolution programme risks.

Trevor Lake sought assurance that the Police Fund is ring-fenced after devolution, (Katherine Johnson confirmed), and queried arrangements for West Yorkshire Police to provide support to the Combined Authority for internal audit services. Katherine Johnson confirmed this would be provided under a service level agreement.

(b) WEST YORKSHIRE POLICE

Beverley Nichol-Culff presented a report on the Force risk register which was agreed by the Risk Management Group on 26 October 2020, reporting eight red, fifteen high amber, two low amber and zero green risks.

Julie Winham noted that 10 business continuity plans had an outstanding review and was advised that this reflects an annual rolling programme which will be reviewed in the January meeting of the Risk Management Group.

11. INTERNAL AUDIT REPORT

Neil Rickwood presented an internal audit progress report advising members that, whilst the audit plan remains unchanged in terms of number of audits, slippage in audit timescales and the more protracted nature of client facing audit engagement during the COVID-19 pandemic remain significant issues.

Trevor Lake queried the delay in the audit of management of registered sex offenders and was advised that pre-audit training on the register was required. A follow-up audit is planned for April. Julie Talbot noted a failure to document risk assessments in terms of work allocations and was advised that an audit team within the Safeguarding Unit is aware of the issue.

Julie Winham sought further information about blended working arrangements and was advised that there is a mix of agile and office-based work in the team as some audits, such as unannounced cash-ups, need to be carried out in person.

Julie Winham sought assurance that learning was captured from the feedback on audits and was advised that feedback is reviewed. Occasionally, lower feedback scores are given when Departments are already aware of the issues being raised – the audit may not be seen as adding value.

Julie Talbot pointed to a lack of training being a theme and was advised that more audits are planned on training initiatives. Trevor Lake noted a lack of consistent policy across Departments in some areas of business and was advised that this will be captured in future audits.

12. TENDER EXCEPTION REPORT

Katherine Johnson presented a tender exception report. Members noted that the report did not include the usual level of background information and requested a six-month report to the next Committee meeting.

ACTION: Katherine Johnson to report to the next Committee with a six-month report of tender exceptions.

13. ANNUAL REPORT AND WORKPLAN

Members received an annual report of the work of the Committee for 2020 and a revised work plan for 2021.

Julie Winham requested that the annual report notes that the effectiveness of internal audit is reviewed through the Annual Governance Statements.

ACTION: Julie Reid to amend the annual report to note that the effectiveness of the internal audit function is reviewed through the Annual Governance Statements.

14. COMMITTEE SELF-ASSESSMENT

Members noted the Committee self-assessment.

15. ANY OTHER BUSINESS

Trevor Lake thanked the Finance and Accounting Team in West Yorkshire Police for a successful external audit review.

Next meeting: 19 March 2021, by video conference