



**MINUTES OF THE JOINT INDEPENDENT AUDIT and ETHICS COMMITTEE
(POLICE AND CRIME COMMISSIONER FOR WEST YORKSHIRE
AND WEST YORKSHIRE POLICE)
HELD ON 24 JULY 2020**

AUDIT SESSION

Video Conference.

MEMBERS PRESENT

Trevor Lake (Chair)
Julie Talbot
Julie Winham

OFFICERS PRESENT

Stuart Armstrong, Grant Thornton
Nigel Brook, ACO, WYP
Joanne Campbell, Internal Audit Manager
Paul D Grady, Grant Thornton (to item 9)
Katherine Johnson, Treasurer, OPCC
Beverley Nichol-Culff, Head of Risk Management and Insurance, Shared Services
Julie Reid, Governance Manager, OPCC
Neil Rickwood, Head of Audit and Risk, Shared Services

1. WELCOME & APOLOGIES

Trevor Lake welcomed everyone to the meeting, noting no apologies.

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 and noted.

4. MINUTES

The minutes of the meeting held on 3 April 2020 were agreed as a correct record.

5. MATTERS ARISING

Item 5.1 Assurance Framework and Governance Review

Katherine Johnson presented an update on the Assurance Framework and OPCC governance review on behalf of the Interim Chief Executive noting that some work remained outstanding on the overarching governance of strategic meetings with partners.

Julie Talbot asked about regular Committee reporting on the potential devolution deal for West Yorkshire and was informed that regular updates will be provided in the business update item in each meeting. It was agreed that the PCC's consultation response and letter to the Policing Minister would be shared with members.

ACTION: Katherine Johnson to provide members the with PCC's devolution deal consultation response and letter to the Policing Minister.

Julie Winham asked whether the Assurance Framework was a useful document for Internal Audit planning and was informed that, as the Framework is seen as a corporate document and not derived from the Internal Audit function, it was a useful tool to assist the development of the Internal Audit framework.

Julie Winham sought an update on the review of the Ethics Committee and was advised that the draft review had been submitted to the Interim Chief Executive.

Trevor Lake noted that the Health and Safety Committee is not flagged as 'protecting the vulnerable' and may need to be reviewed but welcomed the Assurance Framework as a useful document which would also assist planning for the potential transfer to the Combined Authority.

Julie Talbot noted that the COVID-19 business continuity plan refers to the Audit Committee regularly scrutinising COVID-19 related business. It was agreed that a planning session would be arranged to agree what reports members required regarding both COVID-19 and West Yorkshire Devolution and which would include an invitation to officers from the Combined Authority to address the Audit Committee in due course.

ACTION: Katherine Johnson to arrange a planning session with members to agree future reporting on both COVID-19 and West Yorkshire Devolution.

ACTION: Officers from West Yorkshire Combined Authority to be invited to the January Audit Committee meeting to discuss governance transition in the event that the PCC's role is transferred to the West Yorkshire Mayoral Combined Authority in May 2021.

Item 5.2 NPAS Governance

Katherine Johnson presented a report to Committee on NPAS governance and noted that the proposed West Yorkshire devolution deal would see all assets transferring to the West Yorkshire Combined Authority. Members were advised that the transfer of NPAS is the subject of a great deal of work with the Home Office, the APCC and with PCCs nationally.

Members accepted the report.

Item 5.3 Commissioning Update

Katherine Johnson presented a commissioning update to Committee which provided an overview of commissioning activity including a review of sexual violence services, commissioning during the COVID-19 pandemic, an extraordinary grant round from the Safer communities Fund, emergency funding for micro-charities via the Violence Reduction Unit and a grant programme on behalf of NHS England.

Julie Winham queried Internal Audit coverage of the grant programme and Joanne Campbell agreed to provide members with a copy of the Internal Audit review which was carried out last year.

ACTION: Joanne Campbell to provide members with a copy of the Internal Audit review of grants and commissioning.

Item 5.6 Substantive Chief Executive Role

Katherine Johnson advised Committee that an update on the substantive Chief Executive role would be provided as and when PCC decisions are made.

Item 5.7 – Internal Audit Performance Targets

Members received a report on Internal Audit performance targets. Julie Winham questioned whether there was a specific target for reporting unsatisfactory responses and was advised that any unsatisfactory responses would be escalated and would be reported to Committee.

Item 5.8 – Tender Exception TRiM training contract

Members received a report on the tender exception for the TRiM training contract. Trevor Lake noted that trauma support was an important service for staff.

Julie Winham queried whether the contract is now in place.

ACTION: Nigel Brook to clarify whether a contract is now in place for TRiM training.

6. CHAIR'S UPDATE

Trevor Lake noted the public consultation exercise which is presently underway on the draft West Yorkshire Devolution Deal which will see the PCC's duties being transferred to a Mayor. Members were advised that the Combined Authority is carrying out a due diligence exercise (via a tender which is due to be awarded on 31/07/2020) assisted by both the OPCC and West Yorkshire Police. Originally, the devolution deal anticipated a transfer of PCC duties in 2024 but, because the PCC elections have been postponed, a transfer in 2021 is now being considered. The Force, OPCC and Combined Authority have begun to work closely together to identify and map the workstreams which will be required. The Combined Authority expects to be able to report on the consultation

response and due diligence work in September and it is anticipated that an order will be laid before Parliament in December.

Trevor Lake noted the Committee's expectation that assurance would be provided as to appropriate governance remaining in place during the transition.

7. COVID-19 UPDATES

(a) West Yorkshire Police

Nigel Brook provided members with a COVID-19 update noting that the requirement to wear face-coverings in shops has ethical as well as legal implications and the Force will continue to apply an approach of engage and encourage before enforcement. Members were informed that all other police demands are back to a pre-COVID-19 position.

Members were informed that, to date, no specific COVID-19 funding for the police service has been announced by the Government, although the cost of PPE and up to 75% of loss of income can be recouped.

Operationally, the impact of COVID-19 has been low on West Yorkshire Police because of the high levels of agile working which have been put into place, although there is concern that local authority areas may be subject to local lockdowns.

Julie Winham queried whether appropriate procurement processes and value for money had been achieved with regards to agile IT kit. Nigel Brook informed members that, overall; he was satisfied although some PPE had had to be sourced direct rather than via a tender process, with one batch needing to be returned but not being paid for.

Julie Winham queried data security in agile work and was advised by Nigel Brook that several thousand individuals already worked on an agile basis and he was satisfied that the numbers had increased safely. Staff were not given access to information or systems which they did not need for the work that they were doing.

Julie Winham asked whether a review of agile work would be carried out and was advised that a short review was carried out initially and a longer term review is underway to determine whether agile working should be continued. Early findings are already being put into place and more meetings will be held virtually given the significant savings that could be achieved in time and travel. Members requested sight of the final review.

Trevor Lake thanked Nigel for an excellent report and specifically noted a welcoming 23% fall in reports of missing persons.

ACTION: Nigel Brook to provide Committee with a copy of the review of agile working arrangements.

(b) OPCC

Katherine Johnson provided members with a revised Annual Governance Statement which had been updated to reflect COVID-19. Members were advised that Bilateral

meetings between the Chief Constable and PCC would now return to the usual pre-COVID-19 arrangements. A move to on-line community engagement during the pandemic had proven to be successful and would be likely to continue, including the 'Your Views' survey which, as a postal survey, had been very resource intensive.

Members were advised that the Treasurer attends a weekly call with Local Authority Directors of Finance which had been very helpful. The anticipated fall in council tax receipts had, so far, not materialised.

Katherine Johnson noted the very tight timeframe for West Yorkshire devolution which would precede a new delivery model being agreed for NPAS.

Julie Talbot queried whether the internal controls described in the Annual Governance Statement were still in place and was assured that they were.

8. BUSINESS UPDATES

(a) West Yorkshire Police

Nigel Brook presented a business update noting a reduction in overall crime reports, including a 10% fall in knife-crime, comparing favourably with other police forces that, nationally, had reported an increase of 8%.

Members were informed that key indicators were returning to pre-COVID-19 levels including call logs. The backlogs in the criminal justice system (CJS) were a concern with longer-term implications. Beverley Nichol-Culff noted that the Ministry of Justice have announced that ten nightingale courts would be established to address backlogs.

Members were advised that a national procurement body was being established (Bluelight Commercial) which had resulted in a number of local procurement staff being deployed, which presents a risk to local work. The Force is in discussion with Bluelight Commercial with a view to protecting local procurement services during the transition.

Julie Winham queried whether victim satisfaction continued to be a concern in terms of keeping victims updated and was advised that this remains an issue although slight improvements have been noted when the Call Centre is responsible for victim contact.

Julie Winham noted the level of general reserves, asking whether any reductions were planned, and was informed that the Risk and PFI Reserves were being retained, the other reserves being held for specific purposes which do not impact on the level of risk.

Nigel Brook reported that a £2m overspend is reported for the year-end (reduced from an earlier forecast of £8.5m) which was a similar level to the overspend the previous year despite 250 extra officers being engaged (additional to those resourced). In the current year a £3.5m overspend is predicted but £2.6m police uplift costs (for the additional 20,000 police officers) have not yet been allocated. Members were informed that £0.5m for PPE has been factored in. The MTFE includes a 7.5% fall in council tax receipts and a nil grant increase as per this year despite a pay award of 2.5% (£11m extra). With national IT

projects to fund (eg, Microsoft licences cost £1m pa) a savings process has begun to look at options.

Trevor Lake queried capital spending plans and was advised that spend was close to the forecast.

(b) OPCC

Katherine Johnson updated members on the progress of work on the proposed West Yorkshire devolution and the establishment of a Transitional Working Group which also included the APCC and the Home Office. The Government has recently announced a review of the role of PCCs which is likely to see more devolution to elected Mayors across the country.

Members were informed that two alternative models for policing governance are presently in place through Mayoral offices; in MOPAC and Greater Manchester. West Yorkshire devolution is being considered along the same terms as the Greater Manchester model which is based on a combined authority rather than a corporation sole. Implementing a MOPAC model (which is the preferred option for the PCC and the Chief Constable) would require primary legislation for which there is insufficient time before May 2021. Members were advised that transition in May 2021 would require a very significant amount of work but there were no insurmountable barriers.

Trevor Lake sought access to any staff briefings whilst acknowledging the demands already placed on the OPCC.

ACTION: Katherine Johnson to provide members with copies of any staff briefings on devolution.

Julie Talbot asked whether the West Yorkshire deal included the fire service and was informed that it did not.

9. RISK MANAGEMENT

(a) OPCC

Beverley Nichol-Culff reported to Committee on the OPCC risks which were agreed by the Executive Team on 17/06/2020 advising of two red risks, two high amber, ten low amber and one green risk.

Members accepted the report.

(b) WEST YORKSHIRE POLICE

Beverley Nichol-Culff reported to Committee on the West Yorkshire Police risk register which had been updated following a meeting of the Risk Management Group on 27/04/2020. Members were informed of 21 open risks, including red risks relating to district safeguarding demand, external funding, the CJS backlog, standards of investigation, cyber threats and workforce development. Six risks had been closed, including that relating to finance and payroll systems which had been mitigated.

Members were advised that seven local operational risks had been accepted in a meeting of the Risk Management Group on 20 July including a Force telecoms risk and the risk arising from the establishment of Bluelight Commercial.

Members were also informed that the Force has a comprehensive COVID-19 risk register.

Trevor Lake stated that, as an attendee at the recent 20th July Risk Management Group, he was very assured by the level of scrutiny and challenge.

Julie Winham queried whether the Force's risk appetite scoring needed reviewing in light of COVID-19 and was informed that this is constantly monitored and reviewed.

Trevor Lake asked whether there was a formal target risk and was advised that there was not.

Julie Winham referred to the COVID-19 risk and suggested extending the governance to include the risk and the control environment. Beverley Nichol-Culff concurred and agreed to circulate the COVID-19 risk register to members.

ACTION: Beverley Nichol-Culff to circulate the COVID-19 risk register to members.

Julie Talbot noted the risk relating to safeguarding and was advised that this is regularly reviewed by the relevant ACC and had recently been reduced from red to amber.

Julie Talbot queried whether the COVID-19 and West Yorkshire devolution risks could be excuses for not progressing work and was advised by Beverly Nichol-Culff that, on the contrary, this had resulted in more opportunities and was presently being reviewed by Corporate Services.

Trevor Lake noted that only one District and two central Departments refer to COVID-19 in the local risk register and identified a pattern of the People Directorate failing to reflect and respond appropriately to risks identified locally. Beverley Nichol-Culff informed the Committee that the COVID-19 risks, which cannot be mitigated in the short-term, will be moved to the local risk register and so are not showing against the People Directorate at the moment.

10. EXTERNAL AUDIT REPORT

Stuart Armstrong presented a report to members noting the impact of COVID-19 on the external audit and the new timeframe which is in place with expected sign-off in October and reporting to the next Committee.

Members were informed that an addendum had been added to the external audit plan setting out additional risks relating to COVID-19, describing uncertainty regarding PPE and pensions and also the impact of agile working on the assurance that would usually be expected to be gained by being onsite.

Trevor Lake noted a reference to the appetite of Police and Crime Panels to scrutinise PCCs via video-conferencing. Katherine Johnson informed members that the West

Yorkshire Police and Crime Panel meetings are being held live on YouTube very effectively.

Julie Talbot queried whether the draft accounts could be accessed in advance of the meeting. Katherine Johnson offered to arrange a familiarisation session on the draft accounts in advance of the next Committee meeting.

ACTION: Katherine Johnson to arrange a familiarisation session for members on the draft accounts in advance of the next meeting of the Committee.

Julie Talbot queried whether the budget deficit would impact the value-for-money conclusion. Paul Grady confirmed that the year-end valuations and pension valuations had been impacted by COVID-19 and would be included in the going concerns report. Members were also informed that, in the next year's accounts, the impact of reduced receipts for business rates and council tax would be an issue.

11. INTERNAL AUDIT REPORT

Neil Rickwood presented a report on the work of the Internal Audit team reporting that the finalisation of some work had been impacted by the lockdown but was now being progressed.

Members were informed that Internal Audit were included in the COVID Gold and Silver Recovery groups, were familiar with emerging risks and would be reviewing PPE procurement, agreeing to provide members with further information about the PPE review.

ACTION: Neil Rickwood to provide members with further information about the Internal Audit review of PPE procurement.

Julie Winham queried Internal Audit work on compliance and was advised that the team were assisting with assurance work on contact management that would also be included in the Internal Audit workplan.

Julie Talbot asked how re-prioritisation of Internal Audit work is agreed and was advised that this is discussed and agreed with the Chief Officer Team and with the OPCC Treasurer. Members were informed that the West Yorkshire Internal Audit Team compares favourably with other Internal Audit sections in terms of business-as-usual work.

Trevor Lake welcomed the report on Tutor Constables and Assessors but expressed concern at the fact that the report was issued in August but not responded to until January, requesting an update on the report at the next Committee.

ACTION: Neil Rickwood to report to the next Committee on the Internal Audit report on Tutor Constables and Assessors.

12. BUSINESS INTERESTS, GIFTS AND HOSPITALITY

(a) West Yorkshire Police

Nigel Brook reported on business interests, gifts and hospitality in West Yorkshire Police.

Julie Winham queried the declaration by the CTU of hotel accommodation and wine and was advised this probably related to a conference package.

(b) OPCC

Katherine Johnson reported to Committee on business interests, gifts and hospitality in the OPCC.

Members accepted the reports.

13. TENDER EXCEPTION REPORT

Nigel Brook presented a tender exception report noting the impact of COVID-19 on regional and national procurement. Members sought a quarter-on-quarter comparison.

ACTION: Nigel Brook to report on future tender exceptions with a quarter-on-quarter analysis.

Julie Talbot noted the exceptions relating to vehicle repairs and was advised that this reflects levels of vehicle damage, which amount to £2m pa.

Julie Winham queried the exception for the Interserve contract in view of the company entering into administration last year and was advised that due diligence was carried out at the time with advice from the Cabinet Office and after financial assessment.

14. FOI/DPA GOVERNANCE

(a) West Yorkshire Police

Nigel Brook presented a report on FOI/DPA governance for West Yorkshire Police and informed members that staff are being reallocated into the Information Management Department to deal with backlogs in requests for information (right of access requests).

(b) OPCC

Julie Reid presented a report on FOI/DPA governance in the OPCC which was noted by members.

14. ANY OTHER BUSINESS

None.

Next meeting: 2 October 2020, location to be confirmed.