

Warwickshire and West Mercia Joint Audit Committee Meeting Record

Date:	Monday 20 th March 2017, 14:00 – Conference Room, Leek Wootton
Chair:	John Vereker
Minute Taker:	Alison Rixom

Audit Committee Members

	Name:	Capacity:
Attendance:	John Vereker. (JV)	Chair
	Lynne Duffy (LD)	
	Martin King (MK)	
	Irene Mortimer (IM)	
	Alan Day (AD)	Observer (Newly Appointed Audit Member)

Offices of the Police and Crime Commissioner

	Name:	Capacity:
Attendance:	Sara Ansell (SA)	Head of Finance
	Andy Champness (AC)	Chief Executive
	Elizabeth Hall (EH)	Treasurer – Warwickshire/West Mercia
	Tracey Onslow (TO)	Deputy Police and Crime Commissioner

Force

	Name:	Capacity:
Attendance:	Anthony Bangham (AB)	Chief Constable, West Mercia
	Jeff Carruthers (JC)	Head of Accountancy & Financial Services
	Heather Costello (HC)	Director of Finance, Warwickshire and West Mercia Police
	Martin Jelley (MJ)	Chief Constable – Warwickshire
	Helen Kinrade (HK)	Det. Insp. HMIC, SSI
	David Woodall (DW)	Assurance Lead, SSI

Internal Audit

	Name:	Capacity:
Attendance:	Garry Rollason (GR)	Internal Audit

External Audit

	Name:	Capacity:
Attendance:	Joan Barnett (JB)	Grant Thornton
	Alex Walling (AW)	Grant Thornton

	Name:	Capacity:
Apologies:	Amanda Blakeman (AMB)	Deputy Chief Constable, West Mercia
	John Campion (JC)	Police & Crime Commissioner, West Mercia
	Karen Manners (KM)	Deputy Chief Constable, Warwickshire
	Philip Seccombe (PS)	Police and Crime Commissioner, Warwickshire
	Jacqueline Sparkes (JS)	Internal Audit
	Debra Tedds (DT)	T/ ACC Local Policing

Open Session

No	Summary	Action
01/20/03/17	<p>Attendance & Apologies</p> <p>As above.</p> <p>The chair welcomed everyone to the meeting especially to the newly appointed Head of Finance for the PCC, Sara Ansell, DI Helen Kinrade and Dave Woodall from SSI and the newly appointed Audit Committee member Alan Day who attended the meeting as an observer.</p>	
02/20/03/17	<p>Committee Members' Declaration of Personal and Prejudicial Interests</p> <p>JV and LD declared personal interests in respect of grants received from the Chief Constable in the past 3-4 years.</p>	
03/20/03/17	<p>Minutes of the Last Meeting and Matters Arising</p> <p>The minutes of the last meeting, held on 12th December 2016, were signed off as a true and accurate record of the meeting.</p> <p>All actions completed except for those listed below:</p> <p>04/20/06 – Annual Report 2015/16 of the Police and Crime Commissioner for Warwickshire (N. Hewison).</p> <p>A discussion took place around Mental Health as the report highlighted that the Alliance was looking at mental health street triage schemes, the scheme is still in the pilot phase and a full evaluation will take place later in the year.</p> <p>Action: An update to the committee is required at a future meeting.</p> <p>Update 19.09.16. Item ongoing bring forward to next meeting in</p>	

	<p>December 2016.</p> <p>Update 12.12.16. A request was made for this item to be carried forward to the next meeting as work is still ongoing.</p> <p>08/19/09/16 Place Partnership Assurance Report A number of issues were raised by the committee and it was felt that information available was too limited. More detail was required so that the committee can be assured that PPL are achieving as much as had been expected.</p> <p>It was noted that the Police internal audit service has no rights to audit the internal processes of PPL as it is a separate legal entity.</p> <p>Martin King, a member of the Committee has agreed to lead on this matter and will provide reports to future meetings.</p> <p>Update 12.12.16. MK has commenced the process of reviewing the audit and will provide an update at the next meeting in March 2017.</p> <p>Update 20.03.17. Mk provided a brief update to the group. There are still some issues with PPL. Discussions ongoing and the outcome may impact on any review. C/fwd to next meeting.</p> <p>14/12/12/16 HMIC Peel 2016 Inspection – Efficiency Summary Action: DT to forward to committee members the 2 page summary and report as well as the National report for information.</p> <p>HK provided an update to the Group. Both Forces received a Good outcome overall, across 5 areas. There were some requirements for improvement. An action plan is being pulled together, highlighting owners for specific actions and progress. This was presented at the Service Improvement Board last week. Action complete. Discharged.</p> <p>The Committee offered their congratulations on the improvement outcome of the inspection and the chair was very appreciative on how the committee had been kept informed.</p>	<p>CS</p> <p>MK</p>
04/20/03/17	<p>Change Programme Update (MJ) MJ provided an update to the committee. It has been a huge year for Change and Delivery in IT. Some of the key areas are the roll out of Body Worn Video and Mobile Data.</p> <p>Athena – by Autumn 2017 we will see four of the most used Force systems being implemented (Crime, Intelligence, Case and Custody).</p> <p>By the end of 2017 we will see the new Command and Control</p>	

	<p>system implemented. This will be one system for both Forces across 2 sites, one at Hindlip and one at Neville House in Warwickshire.</p> <p>Change Programme – The interim Transformation Director has been in post for a few months now and is proving to be very good. The committee were advised that the interim appointment will cease at the end of May and will be replaced with a permanent role. The role is currently out with an agency.</p> <p>AB advised the committee that the Forces were back with two SRO's (the 2 DCCs), they will be joint SROs for the change programme as there is a huge amount of work and delivery to undertake over the coming year. It was confirmed that DCC Manners will lead on the Athena programme and DCC Blakeman would lead on the OCC programme. It is structured in such a way that they will cover for each other as and when required. As the delivery programme progresses we will see the SSI function become part of the Change function.</p> <p>AB advised the committee of the work being undertaken with regards to the National Fire Authority Collaboration work and advised that this work would be incorporated into the Change programme.</p>	
05/20/03/17	<p>External Audit Progress Report and Update for Warwickshire and West Mercia PCCs and CCs</p> <p>The paper presented to the committee provided a report on progress to date in delivering the responsibilities of Grant Thornton as external auditors.</p> <p>The report included the Accounts Audit Plan covering the audit of the Police and Crime Commissioners and the Chief Constables setting out the proposed approach in order to give an opinion on the Police and Crime Commissioners' group financial statements, including the statements of the Chief Constables in 2016/17.</p> <p>The report also included updates on:</p> <p>Interim Accounts Audit with full details in the Audit Plan.</p> <p>Final accounts audit, which will commence in June 2017.</p> <p>Value for Money conclusion, this is in progress with the initial risk assessment completed and the details contained in the Audit Plan.</p> <p>Annual Audit Letters will be due December 2017 - not yet commenced.</p> <p>Other Activities, these are ongoing throughout the year, one of which is providing a local workshop covering changes to accounting standards and the Code of Practice. A meeting was held at the beginning of March with other clients/councils and was proved very constructive.</p>	

	<p>A brief discussion took place with regards to the Mental Health Trust and their interest in the new Crime Bill.</p> <p>Action: JB and LD to meet ahead of the July Audit meeting to go through the Accounts.</p>	JB / LD
06/20/03/17	<p>External Audit Plans 2016/17</p> <p>The joint Audit Plan for Police and Crime Commissioners and Chief Constables for Warwickshire and West Mercia were presented to the Committee. The audit plans sets out an overview of the planned scope and timing of the audit.</p> <p>Both Forces reports highlighted 3 significant risks as part of the Value for Money initial risk assessment. These were, the Implementation of Project Athena, Health and Well-being and HMIC Inspection findings. With regard to the HMIC Inspection findings it was confirmed that this risk can now be closed as a result of the Good outcome received.</p> <p>Congratulations were expressed by the chair for a good report and for meeting new deadlines, this was very much appreciated.</p>	
07/20/03/17	<p>Internal Audit Plan and Strategy 2017/18</p> <p>The internal audit plan and strategy for 2017/18 was circulated to the committee. The report summarises the proposed audit strategy for 2017/18.</p> <p>It was stated that extensive consultation with officers had been undertaken and the conclusions at the meetings held were that there is a tremendous amount of change taking place. This has been reflected in the plan. A couple of changes to the format have been made and the mapping of the audit has started with regard to the strategic risks.</p> <p>A discussion took place within the group with a number of questions raised.</p> <p>How many days are planned for 2017/18 and how will they be reported to the committee in the future as the allocated number of days was a good benchmark? GR responded by saying that the number of days has not been included as he wanted to concentrate on the plan, but advised that it would be the same number of days as previous years and any significant issues will be reported to the committee.</p> <p>A query was raised with regards to the number of topics not planned. It was stated that a decision was made to limit the number of audits to keep the number of days the same. We will have to consider risk appetite in the future.</p> <p>The Draft Audit Charter was circulated to the committee. Updates have been in accordance with the new CIPFA guidance. It was stated that there were only a couple of minor</p>	

	<p>amendments made and they were in Section 3 – Purpose (Core Principles). It was suggested that in future any changes to documents should be made visible and have identification for future reference if documents are coming back to the committee. This was agreed.</p> <p>External Assessment is scheduled for later this year. Two companies have visited to talk to the internal auditor. The deadline for assessments is 31/3/17. For a number of years we have been accredited with ISO9001. An assessment is undertaken every year in January and once again we have been accredited this year. This shows that good standards are being used.</p> <p>A request was made with regards to the External Review at the end of the year would it be appropriate to review this at will be old. This would provide assurance of SLA's.</p> <p>Recommendation</p> <p>The committee is requested to:</p> <ol style="list-style-type: none"> 1. approve the proposed strategy and the roll-forward of the existing service level agreement, and 2. approve the changes to the audit charter. <p>Decision</p> <p>The committee approved both the Strategy and the Audit Charter.</p>	
08/20/03/17	<p>Internal Audit Progress Report 2017/18</p> <p>The Progress against 2016/17 Internal Audit Plan was circulated to the committee. The report summarises progress against the agreed Internal Audit Plan.</p> <p>It was noted that as the report was written some weeks ago, some of the audits had progressed.</p> <p>A question was raised with regards to the Risk Management audit which was complete and what it relates to. It was confirmed that it relates to the level of information contained on the risk map, which is now being done.</p> <p>The committee were very pleased to see the achieved progress.</p> <p>Recommendation</p> <p>The Committee is requested to note the report and endorse the proposed changes to the 2016/17 Internal Audit Plan.</p> <p>The committee endorsed the changes to the Plan.</p>	
09/20/03/17	<p>Annual Governance Statements</p> <p>The Annual Governance Statements for 2016/17 for both Warwickshire and West Mercia PCCs were circulated to the committee for comment and final approval. The statements</p>	

	<p>reflect the governance framework established and delivered by the PCC and his office and provides a review of compliance with that framework during the financial year.</p> <p>The statements presented are a work in progress and in a new format and concentrate on the 7 principles from the CIPFA new code. The content reflects the work done this year. Particular interest was drawn to the Strategic Risks, the Significant Governance Issues 2016-17 and Significant Governance Issues.</p> <p>The draft Annual Governance Statement for both Chief Constables was presented to the Committee. It was stated that this document refers towards Warwickshire Police as the author is from Warwickshire, but will be adapted for West Mercia Police. This document follows the 7 principles of the CIPFA Code and Code of Ethics.</p> <p>It is currently a work in progress document with some areas still to be revised. The author would welcome any comments.</p> <p>The committee welcomed the Statements and thanked all concerned for the work put in so far.</p>	
10/20/03/17	<p>OPCC Strategic Risk Register</p> <p>The OPCC Strategic Risk Register was circulated to the group. An update was provided since the Register was produced. Budgets for 2018/19 have been agreed.</p> <p>Both Police and Crime Plans have been agreed by Police and Crime Panels.</p> <p>We may need to change the register to reflect the complaints procedure and the fire collaboration in the future.</p> <p>A query was raised as to why the risk levels had reduced. It was confirmed that risks had reduced from the first set up and not from the last meeting.</p> <p>It was suggested that a date be put in the 1st and 2nd column if there has been a change, then the arrow can be changed.</p> <p>The committee were appreciative of the very much improved risk register which has seemed to have gained confidence in the evidence provided.</p>	
11/20/03/17	<p>Alliance Risk Map</p> <p>The Alliance Risk Map was circulated to the committee. A brief discussion took place within the group.</p>	
12/20/03/17	<p>Treasury Management Strategy</p> <p>The alliance Treasury Management Strategy was circulated to the committee. An update was provided which stated that the policy had been reviewed and amended. A brief discussion took</p>	

	<p>place and the committee were asked to approve the recommendations.</p> <p>Recommendations</p> <p>That:</p> <ul style="list-style-type: none"> a) the Treasury Management Strategy and Investment Strategy for 2017/18 be approved by the Police and Crime Commissioners for Warwickshire and West Mercia b) the Prudential Indicators agreed as part of the respective budget settings (see Appendices A and B are noted; c) the Commissioners require the Treasurer to ensure that net borrowing does not exceed the Prudential levels specified in Appendices A and B, taking into account current commitments, existing plans, and the proposals agreed in the budget reports; d) the Commissioners delegate authority to the Treasurer to undertake all the activities listed in Appendix C of the report; e) the Treasurer implements the Minimum Revenue Provision Policy as specified in Appendix A and B. <p>Decision</p> <p>The Committee approved the recommendations.</p>	
13/20/03/17	<p>Budget Reports</p> <p>The Warwickshire and West Mercia Budget 2017/18 Medium Financial Term Plans were circulated to the committee for information purposes.</p> <p>Both Budget Plans have been scrutinised in detail by both Police and Crime Panels and agreed for PCC's to freeze the precept.</p> <p>A brief discussion took place and a number of questions were raised.</p> <p>The committee sought clarity on the use of reserves in supporting the budget and with the level of spend projected will there be enough contingency. It was confirmed that this would be above the minimum level and that some reserves would be used to fund the capital programme. Reassurance was provided that this would be monitored very closely.</p> <p>It was stated that the next 2 years precepts would increase each year by 1.99%. An explanation was provided as to why this would be the case. It is the view of both PCCs that reserves have built up over time and built up by underspends. These belong to previous tax payers which is why they were frozen this</p>	

	<p>year only, and will increase over the next 2 years.</p> <p>The committee were happy with the explanation provided.</p> <p>.</p>	
14/20/03/17	<p>Value for Money Update</p> <p>The HMIC Value for Money update was circulated to the committee. The HMIC Value for Money profiles were published in November 2016 and the report provides comparative data across a number of policing activities against the national average and the seven Forces included within our Most Similar Group (MSG). It should be noted that although the MSGs are different Warwickshire and West Mercia are included within each others MSG.</p> <p>A brief explanation of the report was provided with thanks and praise being extended to the Finance team for all their time and hard work in completing the POA returns they made to CIPFA and have ensured that they have accounted for spend consistently and in line with the guidelines.</p> <p>The committee thanked all involved with this report and agreed with the report.</p>	
15/20/03/17	<p>Assurance Map</p> <p>The Assurance map was presented to the committee. The report was prepared as a result of the JAC considering the findings of the review of its effectiveness that it had undertaken. One of the recommendations was the development of an Assurance Map.</p> <p>A high level assurance map had been developed by officers of the PCCs and CCs and has been circulated both internal and external auditors.</p> <p>The Committee are asked to comment on the map.</p> <p>A couple of amendments were highlighted which will be actioned, but it was stated that the map reflects the principles of assurance and the external auditor, if agreed would like to share the diagram with their clients.</p> <p>Recommendation</p> <p>The Committee is asked to consider the assurance map and give its comments.</p> <p>The committee agreed the Assurance Map.</p>	
16/20/03/17	<p>HMIC Action Plan Summary</p> <p>The committee were presented with the HMIC Action plan Summary. An update was provided on the HMIC Action Plans status, it is a work in progress and any recommendations for improvement were welcomed.</p>	

	<p>The committee confirmed that over the years we have received a number of variations of reports, but they felt that this is a good document.</p> <p>An update was provided on the Peel Effectiveness Inspection published this month. The report was tabled at the Service Improvement Board, there were a total of 17 recommendations which included all the national recommendations with 5 only being local.</p>	
17/20/03/17	<p>SSI Assurance and Action Plan</p> <p>The committee were provided with a recommendations summary report. Assurance recommendations are those recommendations resulting from the audits carried out by the SSI Assurance Team.</p> <p>The tracking spreadsheet contained 43 assurance audit recommendations open within this period. 16 have been completed leaving 27 ongoing assurance recommendations. It was confirmed that one of the members had been provided with an update prior to the meeting and were satisfied with the contents of the report.</p> <p>A query was raised with regards to the cancellation of the JNCC meetings which has prevented policies being approved. An explanation was provided and it was stated that if policies were urgent then sign off could be arranged outside of the JNCC meeting.</p> <p>The committee appreciated the clarity of the information provided.</p>	
18/20/03/17	<p>SSI Audit Programme 2017/18</p> <p>The SSI Audit Programme was presented to the committee. The purpose of the report is to provide a level of scrutiny, by auditing force IT systems and physical assets. These activities form part of the governance arrangements of the alliance.</p> <p>It highlighted 3 areas in overflow from the 2016/17 programme and 4 new commissions. There are 3 yearly areas scheduled, and 3 for follow up.</p>	
19/20/03/17	<p>Members Points.</p> <p>The Chair presented a draft quadrennial report for 2013 – 2017 to the group. The report covers the Committee's first four years from its inception in June 2013.</p>	
20/20/03/17	<p>AOB</p> <p>1. <u>LH – PSAA Advisory Panel</u> – appointment of external</p>	

	<p>auditors. Both PCCs and CCs have signed up for the Public Sector Audit Appointments.</p> <p>2. <u>Joint Audit Committee Members</u> - Currently in the process of recruiting new members. LD has been appointed as Chair of JAC, to be approved by PCCs and CCs. As mentioned at the start of the meeting Alan Day has been appointed as a new member and MK will remain as a member of the committee. Gavin McArthur has also been appointed to the committee</p> <p>On behalf of both CCs, MJ expressed their sincere thanks to the Chair for his contributions to the Joint Audit Committee over the last four years as he has decided to stand down. He has brought a wealth of experience to the role with a high public service, creating the right checks and balances, and has gone above and beyond the role.</p> <p>Thanks and good wishes for every success in the future were expressed on behalf of the group.</p>	
21/20/03/17	<p>Date, time and location of next meeting</p> <p>The date of the next meeting is Monday 19th June 2017 in the Willison Room, Hindlip at 2pm.</p>	

Closed Session (not for publication)

No	Summary	Action
22/20/03/17	<p>Alliance Risk Register</p> <p>The Force Alliance Risk Register was circulated to the committee. The main discussion was in connection with a new risk associated with AFO recruitment and retention. A discussion was held within the group. It was explained that in the short term work is being managed through overtime and plans are in place.</p> <p>It was stated that one of the committee members had been updated on the current situation. The difficulties are, in particular with the Rugby site location. This is due to its proximity to West Midlands. A Business Case is being prepared by PPL looking at a more central location within Warwickshire. ACC for Protective Services is leading on this piece of work.</p> <p>It was stated that it is a common problem across the country. The service has been heavily relying upon good will.</p> <p>The committee fully understands the situation and is appreciative of a "noses in and hands off "approach and understands what is happening.</p> <p>Health & Wellbeing Risk. The committee sought clarification as to whether the survey results had been published and what was the impact on staff. It was confirmed that the survey results</p>	

	have been published and are being shared with staff via department leads. There is more than enough information for each department lead to pull out and denote what health checks need to be done within their areas of business. Meetings have been held with Federation and Unison and they are very positive and clear that the Force is doing their best in difficult times.	
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Formal Approval of Meeting Record	
Signature:	
Print Name:	John Vereker – Chair of Joint Audit Committee

Meeting closed at: 15:55