

## West Mercia Joint Audit and Standards Committee (JASC) Meeting Minutes

<b>Date:</b>	05 <sup>th</sup> July 2021
<b>Chairman:</b>	Lynne Duffy
<b>Minute Taker:</b>	Alison Rixom (ALR)

### Audit Committee Members

	<b>Name:</b>	<b>Capacity:</b>
<b>Attendance:</b>	Lynne Duffy (LD)	Chairman, Committee Member
	Alan Day (AD)	Vice Chair, Committee Member
	Pierre de Carteret (PdC)	Committee Member
	Anthony Dipple (TD)	Committee Member
	Valerie Reynolds (VR)	Committee Member

### Office of the Police and Crime Commissioner

	<b>Name:</b>	<b>Capacity:</b>
<b>Attendance:</b>	Liz Hall (LH)	Treasurer
	Tracey Onslow (TLO)	DPCC
	Andy Champness (AC)	CEO
	Paul Benfield (PB)	Finance Manager
	Jackie Irvin	Senior Policy Manager
	Natasha Noorbakhsh	Policy Officer

### Force

	<b>Name:</b>	<b>Capacity:</b>
<b>Attendance:</b>	Julian Moss (JMo)	DCC
	Richard Muirhead (RM)	Head of Commercial Services (CFO)
	Elaine Peberdy (EP)	Head of Audit, Risk & Compliance
	Matt Stiff (MS)	ASI, West Mercia

### Internal Audit

	<b>Name:</b>	<b>Capacity:</b>
<b>Attendance:</b>	Paul Clarke (PC)	Internal Auditor

### External Audit

	<b>Name:</b>	<b>Capacity:</b>
<b>Attendance:</b>	Jackson Murray (JMu)	External Auditor
	Andy Reid (AR)	External Auditor

	<b>Name:</b>	<b>Capacity:</b>
<b>Apologies:</b>		

### **Open Session**

<b>Item No.</b>	<b>Summary</b>	<b>Action</b>
01/05/07/2021	<b>Attendance/Apologies.</b> See above.	
02/05/07/2021	<b>Committee Members' Declaration of Personal Prejudicial Interests.</b> <i>Members are reminded that they should declare the existence and nature of their personal interests at the commencement of the relevant item (or as soon as the interest becomes apparent). If that interest is a prejudicial interest the member must withdraw from the room unless one of the exceptions applies.</i>  There were none declared.	
03/05/07/2021	<b>Minutes of the meeting held on the 30<sup>th</sup> March 2021 and any matters arising</b> (paper).  The minutes were recorded as  <b>Matters Arising;</b> <u>HMIC Inspections/Assurance Activities Update.</u> <b>Action: RT is to ensure the Head of SPI is invited to the meetings going forwards. Update 05.07.21 – Completed.</b>	<b>Discharged</b>
04/05/07/2021	<b>Draft Statement of Accounts.</b> (Paper) The draft accounts have been certified and handed to external auditors. A briefing session with members of the Audit Committee has been held. A few questions were raised and answers were given.  Nothing further was raised therefore the Committee supported the Statement of Accounts.	
05/05/07/2021	<b>Draft Annual Governance Statement (AGS)</b> (Paper) JI The paper was submitted prior to the meeting and JI attended the meeting to provide an update to members.	

	<p>The Annual Governance Statement (AGS) is an annual statutory requirement to report publicly on the extent to which the PCC and Force comply with their governance arrangements, including how they have monitored the effectiveness of their governance arrangements in the year and any planned changes in the coming period.</p> <p>This year's AGS has been produced as a joint statement for the two organisations, rather than as two separate documents. It does refer to COVID-19, and is an accessible and transparent document. The members were drawn to the 3 areas which were identified to be addressed during 2020 – 21, page 13 of the document.</p> <p>EP recognised a change to the document in respect of the DPO (Pg 10). The PCC and West Mercia Police has the same officer for Data Protection therefore the document needs to be amended to reflect this. <b>Action:</b> JI will amend the document to reflect this.</p> <p>It was noted that the Head of Internal Audit opinion has now been received and the AGS will be amended accordingly.</p> <p><b>Recommendation</b> The Committee approved the draft AGS document.</p>	JI
06/05/07/2021	<p><b>Internal Audit Annual Report and Opinion.</b> (Paper) - PC</p> <p>The paper was presented and noted. The paper includes an opinion based on work, governance and control. It has been a very different year due to COVID-19 which has impacted on the work scheduled as the team have not been able to go on site.</p> <p>Enough work has been completed to produce an annual report. There is continued concern around the IT risk and the Head of Internal Audit gave his opinion as Moderate Assurance with controls in place, which is the same level as last year.</p> <p>No questions were raised. There is 1 fundamental recommendation which relates to the consultant's report and has now been resolved.</p> <p><b>Recommendation</b></p>	

	The Committee noted the report.	
07/05/07/2021	<p><b>Compliance with FM Code.</b> (Paper) - LH</p> <p>The paper was presented and noted.</p> <p>As with AGS we are required to review our strengths and weaknesses against the CIPFA Financial Management Code (CIPFA FM Code).</p> <p>When CIPFA undertook a review last May it identified the position Force Finance was in. It was a new service set up after the Alliance split and included some inexperienced staff. RM and LH undertook a review a year later. Conclusions and plans were drawn up to make improvements which are set out in the report. There is still some work to be done, but considerable progress has been made. The Force are putting in budget planning and developing a 2 year budget.</p> <p>RM stated that an Action Plan has been agreed which will address some of the issues.</p> <p>The CIPFA review - work commences on a re-review in September 2021.</p> <p>A question was raised on the Chart on Paragraph 5 showing the main area of weakness which is about people dimension. Under the Alliance this area was heavily centralised, so when split there was much training to be undertaken. We are much more appropriately devolved, with training given to managers to control spending and now on a learning curve, but 98% complete.</p> <p><b>Recommendation</b></p> <p>The Committee noted the report.</p>	
08/05/07/2021	<p><b>Money Matters Report 2020/2021 – RM</b> (Paper)</p> <p>The paper was circulated prior to the meeting and the key headlines were discussed.</p> <p>The Report shows the position as at the end of last year. The headline figures shows the Force had an overspend and the PCC and underspend which has resulted in an £881K underspend. There is a plan to put £200K back into reserves, which is a good outcome. In Dec 2020 it looked like an overspend was predicted therefore measures were put in place and the Force managed to reduce substantially the overspend.</p> <p>TO asked for clarification on the underspend on the PCC budget, discussions have been held with the position now being confirmed re the services being provided to victims.</p>	

	<p><b>Recommendation</b> The Committee noted the Money Matters report.</p>	
09/05/07/2021	<p><b>Treasury Management Outturn Report 2020/2021 – LH (Paper)</b> The report was circulated prior to the meeting. The key areas were highlighted.</p> <p>Section 3.1 - The Police and Crime Commissioner took £16m of new PWLB borrowing in 2020/2021, this being a £10m Annuity Loan for 15 years at a rate of 0.98% and a further £6m EIP Loan for 10 years at a rate of 1.21%.</p> <p>Section 6 - Compliance with Treasury Limits and Prudential Indicators - During the financial year the Police and Crime Commissioner operated within the treasury limits and Prudential Indicators set out in the Police and Crime Commissioner's Treasury Policy Statement and Treasury Management Strategy.</p> <p>Section 10 – Approved Limits During 2020/21 there were four breaches of the limits set within the Treasury Management strategy, all being with HSBC. This has now been resolved with the short-term limit for HSBC has now been increased from £7m to £10m, as set out in the Treasury Management Strategy Report for 202/2.</p> <p>AD asked about the Table on Pg 9 – re Investment Limits and sought clarification of the cash limit on any single transaction LH explained that it was to address volatility in cash balances and the availability of deposit accounts given low interest rates. It was only for short periods of time.</p> <p><b>Recommendation</b> The Committee was asked to consider and comment on the Treasury Management Outturn Report for 2020/2021 before its consideration by the West Mercia Police and Crime Commissioner. The Committee agreed the recommendation.</p>	
10/05/07/2021	<p><b>Police and Crime Plan. TO - (Verbal Update)</b> The DPCC provided the committee with an update on the PCC's Police and Crime Plan. The Commissioner is writing a new P&amp;CP with input from both the Force and the OPCC. This builds on the previous plan as this new term is for 3 years not 4. It uses the same themes, around feeling</p>	

	<p>safe, victim safety, reform and reassurance. . This includes:-</p> <ul style="list-style-type: none"> <li>- ASB and Roads Policing – conveying the powers of other partners and the inclusion of CCTV.</li> <li>- The secure and being safe initiatives will be around SOC, and Counter Terrorism and prevention (CLIMB – early intervention), knife crime and Violence against women and girls and the Night Time Economy (NTE) which has increased.</li> <li>- Reform and resources will be based around Digital Services and Estates</li> <li>- Criminal Justice – the PCC will use his HTA ability in looking at backlogs in the courts system.</li> <li>- Victims – making sure that victims are offered a bespoke service and is keen that victims get the service they require and that there is an open and transparent process in place.</li> <li>- Make sure that the PCC speaks to everyone and will be looking to do a lot of engagement throughout the Force area. Looking at messages and have more understanding of what the BME recognition requires.</li> <li>- Look at what and how the OPCC team can influence these issues within the Force and be certain that West Mercia is at the heart of the Force.</li> </ul> <p>It is intended that the P&amp;CP will be presented at the Police and Crime Panel meeting on 15<sup>th</sup> July 2021.</p> <p>No questions raised.</p> <p><b>Recommendation</b> The Committee note the update on the proposed new PCC's Police and Crime Plan.</p>	
11/05/07/2021	<p><b>Force FMS Statement. JMo</b> (Verbal Update)</p> <p>It was confirmed by JM that there was no report available for the meeting. A self-assessment of the Force has been undertaken to meet the demands for the future. The document is complete and has been issued, but has a large amount of confidential information contained within it, so it is currently being redacted and will come back to the next meeting for the Committee to digest.</p>	

	<p><b>Action:</b> JM to circulate the redacted Force FMS Statement to the JASC when available.</p> <p><b>Recommendation</b> The Committee were happy to note the verbal update on the Force FMS Statement.</p>	<b>JM</b>
12/05/07/2021	<p><b>External Audit Joint Audit Plan. JMu (Paper)</b> JM provided an overview of the External Audit Joint Audit Plan. He went through the Introduction and headlines around the Financial statement, Significant risks, Materiality, Value for Money and the Audit Logistics.</p> <p>An interim visit took place in April 2021 with the final visit proposed for September 2021 with a special meeting reserved for October 2021 if required. The draft Statement of Accounts has been received and work is being done in preparation for the visit. Proposed variations have been set up. Significant risks have been identified, new auditing standards and what the external auditors are expected to do are set out in the report.</p> <p>AD asked about the increase in fees from 2019 which shows a 36% increase which is a very large increase in relation to the service received. MJ responded – this was due to an increase in work, new standards and requirements which have been discussed with officers and consideration with auditors. Also nationally audit fees have increased significantly for 2021, with MHCLG providing £15M of funding to bodies, following the Tony Redmand Review. Fees will increase in the future and appreciate it is a significant increase and discussions have been held. Proposals are similar to other counter parts across the country. LH confirmed that discussions have taken place and asked the members if they wished to have a meeting in October to discuss the Audit recommendations.</p> <p><b>Action:</b> LH/RT to set up a short meeting with Committee Members in October to discuss the completed Audit before the last week as this will be half term week.</p> <p><b>Recommendation</b></p>	<b>LH/RT</b>

	The Committee noted the External Audit Joint Audit Plan.	
13/05/07/2021	<p><b>External Audit Progress Report. JMu (Paper)</b> The report was circulated prior to the meeting.</p> <p>The plan was completed earlier in the year for the Financial Statements and the Value for Money work undertaken. The report sets out the deliverables of the plan then the auditor's report will be available October / November 2021.</p> <p>The end of the report highlights the new approach to Value for Money.</p> <p>LD and Members highlighted a concern in respect of the lateness of the plan to get the accounts audited. For 2021 the target date is 31/9/21 and this states that it will be delivered after this target date, notices are required to be published on websites.</p> <p>JMu responded stating that there had been a lack of resource within Grant Thornton and advised that once the information has been issued they will ensure that sites will be updated.</p> <p><b>Recommendation</b> The Committee noted the External Audit Progress report.</p>	
14/05/07/2021	<p><b>Internal Audit Progress Report. (Paper)</b> The report was circulated prior to the meeting and outlines the audits completed with substantial assurance.</p> <ul style="list-style-type: none"> <li>- Payroll reports are completed with substantial assurance. Draft report completed.</li> <li>- Seized Property Audit – site visits completed and report being finalised.</li> <li>- Gifts &amp; Hospitality 2020/21 audit completed.</li> <li>- Started some 2021 work with Contract Management and a meeting arranged for IT planning audits.</li> </ul> <p>No questions raised.</p> <p><b>Recommendation:</b> The Committee noted the Internal Audit report.</p>	



15/05/07/2021	<p><b>OPCC Risk Register. LH (Paper)</b>  The report was circulated prior to the meeting which provided a briefing to members, highlighting the changes to the OPCC Risk Register.</p> <ul style="list-style-type: none"> <li>- The Risk of failing to manage our finances effectively. This risk has reduced as a medium term financial strategy has been put in place.</li> <li>- The Risk to operate in a pandemic has reduced and changed from 5 to 3. Lessons learned and robust plans now in place.</li> <li>- 2 new risks have been added. – Failure to deliver the Police and Crime Plan. This is low risk and measures set in place.</li> <li>- Delivery of an effective Estates Function. As from April 2021 new Estates Function set up, will monitor over the next 12 months, Governance arrangements in place as well as budgets in place.</li> </ul> <p>AD – asked about the risk of operating effectively and the lessons learned, there is a need for the information to be documented / written down and that plans are in place, ready to go if happens again. LH and AC confirmed that Gold and Silver Teams are in place and will be reviewed on a regular basis.</p> <p>JMo advised the Op. Hercules has been established. Phase 1 provides a comprehensive review report and HMIC have done an inspection of the Force due to the work involvement of multi-agencies. The overall approach is a recovery programme both Nationally and Locally and have taken on board the lessons learned.</p> <p>MS stated that Op Talla is happening at all levels of policing.</p> <p><b>Recommendation:</b>  The Committee noted the OPCC Risk Register.</p>	
16/05/07/2021	<p><b>Ethics and Standards Update. NN (Paper)</b>  The Standard Update report was circulated prior to the meeting.</p> <p>The report provided an oversight of the key governance and scrutiny processes. There are 2 key meetings through which the PCC and Chief Officers exercise governance and scrutiny of PSD and the wider standards and ethics agenda:</p>	

	<p>They are the Fairness, Policy and Standards Delivery Board; and The PCC – PSD Quarterly Performance meeting.</p> <p>The force also have an Internal Ethics Committee (IEC). The Committee does not provide a governance, scrutiny or audit function. It is an independent committee that acts in an advisory and guidance capacity on matters relating to ethical practice and is accessible to all members of West Mercia Police.</p> <p>A brief update from each meeting was provided as part of the paper.</p> <p>No questions were raised.</p> <p><b>Recommendation:</b> The Committee noted the Ethics and Standards Update report.</p>	
17/05/07/2021	<p><b>Quarterly Performance Report. MS (Paper)</b> The Quarterly Performance Report was circulated prior to the meeting and the Committee members had received a briefing.</p> <p>The purpose of this report is to provide a monthly update to current and emerging performance issues relating to West Mercia.</p> <ul style="list-style-type: none"> <li>- The figures are taken from Jan – March 2021 Qtr1.</li> <li>- A Gold Score Card is designed for PCC discussion and picks out the areas of concern and allows the PCC to set actions.</li> <li>- There are 3 tiers, Gold, Silver and Bronze.</li> <li>- The QPR process is a mechanism for Chief Officers to make progress.</li> <li>- It is a wide ranging comprehensive document.</li> <li>- Crime levels are decreasing – 16% down.</li> <li>- Performance concerns about Force outcomes.</li> </ul> <p>No questions were raised.</p> <p><b>Recommendation:</b> The Committee noted the Quarterly Performance Report.</p>	
18/05/07/2021	<b>HMICFRS Update Report. MS (Paper)</b>	

	<p>The HMICFRS report was circulated prior to the meeting and the Committee members had received a briefing.</p> <p>The report is prepared by the Force Liaison Officer and covers the work involved around Causes for Concern which are tracked and come from Force Insp. It shows the comparison with other Forces and West Mercia are making good progress.</p> <p>West Mercia Police are due to being inspected w/c 6th Sept 2021 and pre-work is taking place with the final report available in Jan 2022. All the details will be submitted to the WMP Website.</p> <p>No questions were raised.</p> <p><b>Recommendation:</b> The Committee noted the HMICFRS Update report.</p>	
19/05/07/2021	<p><b>Value for Money Presentation RM</b> (Presentation) The Value for Money Presentation was circulated prior to the meeting.</p> <p>It is an HMICFRS report and was not produced until March 2021. It has been presented to the WM Governance Board.</p> <p>It highlights that two thirds of forces spend more than population to WM and that WM are two thirds of the way down with spend proportionally in comparison to other functions.</p> <p>It was stated that Roads Policing, Criminal Justice and Intelligence data is incorrect.</p> <p>Business Service functions shows where priorities lie. HR shows the impact of investment and the position is in the middle compared to other Forces.</p> <p>No questions were raised, but members stated that the report was very good and were interested to understand what format it goes through. RM advised that it gives reassurance across a lot of areas, in particular Finance and Contracts &amp; Procurement and that the Force were seeing an impact with an enhanced level of service added.</p> <p><b>Recommendation:</b></p>	

	The Committee noted the Value for Money presentation.	
20/05/07/2021	<b>Members Points.</b> (No papers).  No members' points were raised.	
21/05/07/2021	<b>Next Meeting.</b> (No Paper). <b>Monday 22<sup>nd</sup> November 2021, 14:00hrs, TBC</b>	