

Draft West Mercia Joint Audit and Standards Committee (JASC) Meeting Minutes (Open Session)

Date:	Thursday 15 th December 2022, 14:00. Allsop Room, Hindlip
Chair:	Lynne Duffy (LD)
Minute Taker:	Alison Rixom (AR)

Audit Committee Members

	Name:	Capacity:
Attendance:	Lynne Duffy (LD)	Chair, 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

	Name:	Capacity:
Attendance:	Marc Bayliss	DPCC
	Paul Benfield (PMB)	Treasurer
	Alison Rixom (AR)	Secretary
Guest Presenter:		

Force

	Name:	Capacity:
Attendance:	Alex Murray (AM)	DCC
	Richard Muirhead (RM)	Director of Commercial Services
	Rachel Adie (RA)	Head of Finance – Rep for Richard Muirhead
	Simon Neville (SN)	Risk Management & Organisational Learning Officer (Rep. Elain Peberdy)

Internal Audit

	Name:	Capacity:
Attendance:	Paul Clarke (PC)	Internal Auditor
Optional Attendee:		

External Audit

	Name:	Capacity:
Attendance:	Jackson Murray (JMu)	External Auditor
	Siobhan Barnard (SB)	External Auditor

	Name:	Capacity:
Apologies:	David Ashley (DA)	Internal Auditor
	Matt Stiff (MS)	Head of SPI
	Elaine Peberdy (EP)	Head of Audit, Risk and Compliance

Open Session

Item No.	Summary	Action
01/15/12/2022	Attendance/Apologies. See above. The Chair welcomed everyone to the meeting.	
02/15/12/2022	Committee Members' Declaration of Personal Prejudicial Interests. <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> None were declared.	
03/15/12/2022	Minutes of the meeting held on the 27th September 2022 and any matters arising (paper). The minutes were recorded as a true and accurate record. Matters Arising from the last meeting: 05/21/06/2022 - Accounting Policies, estimates and uncertainties 2021/22. The Accounting Policies, estimates and uncertainties 2021/22 were circulated and discussed. - JM raised Force concerns regarding the replacement of the older vehicles within the fleet. The views of the	

	<p>force and OPCC were discussed recognising the need for information from the Telematics project to inform decision making.</p> <p>Action: JASC members to be circulated reports from the outcomes of the telematics project.</p> <p>Update 27.09.22. DCC provided a short update – reports from the telematics project not available for this meeting but will be issued when available. C/fwd.</p> <p>04/27/09/2022 Internal Audit Progress Report Questions raised: VR asked if there was an update on database and security issues raised in the ICT report? EP responded, that this was part of the Business as Usual process now ensuring that adequate controls in place, and with the move to Microsoft 365 the governance arrangements are much higher. Sign in on M365 is now via password, face recognition or fingerprint which shows heightened security. Action: EP to find out about Authentication. Update 15.12.22. A verbal update was provided by SN on behalf of EP advising of the panel of the different processes for laptops/mobiles and desktops for Microsoft 365. Discharged.</p> <p>05/27/09/2022 Internal Audit Outstanding Recommendations Report With regards to the 2017/18 actions that remain open that they are being actioned with intention to be closed asap. Action: It was agreed that EP would provide an update to the members in 6 months' time. Update 15.12.22 Action C/fwd to March 2023.</p> <p>07/27/09/2022 Treasury Management Mid-Year Report 2022/2023 AM – asked whether there was an idea of what the debt to capital was as indicated in Table in 3.2. PB advised that the 3 loans within that time period are all on fixed interest rates. All the costs are fixed and understood. PB advised that we were third per head for capital borrowing in the list of Forces VFM profile Action: PB to provide ACC Murray with a copy of the Value for Money report. Update 15.012.2022. Report forwarded to ACC Murray. Discharged.</p>	<p>DCC</p> <p>EP</p>
04/15/12/2022	<p>External Audit Findings Report (Paper). The Joint Audit Findings Report for WMP for Year Ending 31.03.2022 was circulated prior to the meeting.</p>	

	<p>The report summarises the key findings and other matters arising from the statutory audits.</p> <p><u>Audit Findings Report (Paper 4a)</u></p> <ul style="list-style-type: none"> - One area of work for Validation of Land and Buildings owned was raised which involved detailed work around floor areas. - One asset with a mezzanine floor which effects the valuation of the property. Reviewed other valuations for 2021/22 and prior years considered and work ongoing. It is purely an accounting and finance issue and does not impact on pre-set setting but is important from a regulatory view. - Work ongoing and conversations held. Very few adjustments to Financial Statements received and audit work completed. - No changes to useable reserves, - Unqualified opinions on both Financial Statements. - Auditors Annual Report will be published on websites for PCC and WMP. - Report covers significant risks and what actions taken. - The appendices include updates on recommendations. Once the valuation work has concluded Appendix B will be updated and a copy of the finalised report will be shared. <p><u>Questions</u></p> <p>PB - the Asset Valuation work – the Audit work identified certain areas and the lack of regular visits to buildings and daily checks. This should not have happened and reassurance has been sought when valuers access buildings.</p> <p>Any work outstanding, we are seeking reassurance that all the work presented is accurate and the audit trail clear. Working through to ensure information is consistent and the valuations correct. A full audit trail will now be implemented to ensure information is correct.</p> <p>Auditors will finalise the audit reports and will work through the process with completion mid-January 2023</p> <p>A question was raised as to how come the external auditors found the issue. The valuer found the issue</p>	
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	<p>with the missing floor and identified, but didn't identify the issues with the floor plans and measurements. It was noted that the Valuer does not visit every property every year and relies on the plans. Financial accounting instructs the valuer what capital works have been done. Is it indicative to the issue of staff or the communication link? The advantage of having a valuer as an accountant, would have a different approach. We need to consider and do better and treat the internal valuer as if they were an external one. We are ensuring that robust processes are now in place.</p> <p>As long as we have on board the issues and own up to the error and building with the issues and will ensure and reassure.</p> <p>The building was only looked at from the outside and not inside so therefore didn't see the mezzanine floor.</p> <p>A question was asked as to whether there was any wider action or that anything else exists in respect of relying on internal people to do the work. It was stated that Pension Actuaries are external and there is no concern.</p> <p><u>Auditors Annual Report (Paper 4b)</u></p> <p>The report outlines the findings and shows no sign of any significant risks but will be kept under review. The findings on the Financial Systems section shows that improvement recommended, but at the lowest level and positive, there is 1 area for improvement.</p> <p>Recommendations (Page 12 of the report).</p> <ul style="list-style-type: none"> - Force to investigate the large variances in budget setting - Further narrative on governance - Slides 18&17 – 2020/21 – seen all 4 addresses - No.4 shows ongoing – the response is ongoing. <p><u>Questions</u></p> <p>It was asked whether the Force has any variance. It was confirmed as yes. 6.1% of Alliance cost – 2 years in getting to grips with the budget. We are at a point where focus is on monitoring and came quite late in the year. Improvement monitoring is undergoing and nearly there with the budget setting now.</p>	
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	<p>Capital is more challenging and looking to set Capital budget for 2023/24. We know we can do better. There was an issue with the Redditch new build £5M to spend, it was found that there were badgers on site, so all building works were halted. We recognise the issues and will continue to monitor and progress the project.</p> <p>It was asked whether the revenue budget was too small. It was confirmed that this was the case from next April.</p> <p>Recommendation: The External Audit Findings Report was noted.</p>	
05/15/12/2022	<p>Audited Statement of Accounts (Paper) The Audited Statement of Accounts were circulated prior to the meeting.</p> <p>The papers were noted and no questions raised.</p> <p>Recommendation: The committee approve the Audited Statement of Accounts subject to confirmation from auditors and will circulate outside of the meeting unless a material change is required. Agreed.</p>	
06/15/12/2022	<p>Audited Annual Governance Statement. (Paper). The audited annual governance statement was circulated prior to the meeting and discussed.</p> <p>The Annual Governance Statement is prepared every year and is published as part of the Audit of Accounts and is presented to the Committee in June. It has been presented to WMGB and has now been signed off by PCC/CC and Ch. Executive with no changes to the Statement since June.</p> <p>No questions raised.</p> <p>Recommendation: The Audited Annual Governance Statement was noted.</p>	
07/15/12/2022	<p>Letter of Representation (Paper). The Letter of Representation was circulated prior to the meeting and discussed.</p> <p>The letter of representation is the final part of the auditor's assessment and no matters have been raised. The letters were not available for the meeting</p>	

	<p>and the recommendation is to circulate them outside of the meeting.</p> <p>It was noted by the External Auditors that the letters will be standardised representations.</p> <p>Recommendation: The Letters of Representation were noted.</p>	
08/15/12/2022	<p>Internal Audit Progress Report (Paper). The Internal Audit and Progress Report was circulated prior to the meeting and discussed.</p> <ul style="list-style-type: none"> - 6 audits completed out of 13 - 5 in progress and 2 completed - 3 to be started in Qtr 4. - Plan on track to deliver. Most of the areas are major projects – Business Operations, Change Control in Project Management and Saving of Benefits and Management Actions. - Update on progress. They will be looked at in detail and a further update will be provided to the committee in March 2023. <p><u>Questions</u></p> <p>The Business Operations Project shows that there is not sufficient tracking and audit trail. Project to improve efficiency. Benefits Analysis and keep an eye on it. Making changes and need to report on, especially given the budget issues. Need to quantify the savings and not auditing recruitment and benefit of analysis and to identify savings.</p> <p>It was stated that it is a number of projects and different programmes. Work has come out of a bid and where benefits can be found. It is the setting up of the Business Operations Centre (BOC) and involves people and sharing of space. Didn't bring them together, there are exceptions. There is a clear Business Case available. The first piece of the restructure happened in 2020 and continued building on in 2021. Project is now 2 years old and has since moved on. Force improvement review.</p> <p>It was advised that both PB and RM sit on the Change and Transformation Board and have banged the drum for Benefits realisation, cashable and non-cashable to projects bringing forward.</p>	

	<p>It would be nice to see how and if the achievements have happened.</p> <p>Recommendation: The Internal Audit Progress Report was noted.</p>	
09/15/12/2022	<p>OPCC Risk Register (Paper) The OPCC Risk Register was circulated prior to the meeting and discussed.</p> <p>The update sets out the current assessment of strategic risks relating to the PCC.</p> <ul style="list-style-type: none"> - The risk around budgets has increased and changes in the economic context and increased the likelihood around the potential of the budget. - Budget report is currently out for consultation (Sept – Dec 2022). It recognises the pressures facing and enabled us to set up groups and in a reasonable position to take action. - Removed the risk for Estates Strategy as now in place and will be managed. - New risk in relation to Wychavon DC submitting the SWDPR to the government planning inspectorate, which would remove Hindlip Park MDS status. This has a significant impact especially in relation to the Firearms Range extension. The OPCC, Force along with H&WF&RS are seeking legal advice as to why it is being removed. <p><u>Questions</u></p> <p>It was asked whether any contingency plans were in place re the worst-case scenario if the planning is removed and the Firearms development cannot go ahead. It was advised that the site would be developed as it is and it can still be used, it was to future proof the site, but now re-development would be an issue. With regards to the Firearms provision we would look for a temporary site provision.</p> <p>What is the plan and are any developments planned and is there a Plan B? Have had to spend £60K on putting fencing around the Dog Section. There is a potential to move off site for the Firearms. Views have been made, we will seek to influence. If the site does become Greenfield developments are not impossible,</p>	

	<p>there are still opportunities and will continue as a specialist site and will put a strong case forward.</p> <p>Recommendation: The OPCC Risk Register was noted.</p>	
10/15/12/2022	<p>Ethics and Standards Update (Paper). The ethics and standards update were circulated prior to the meeting and discussed.</p> <p>The update is produced by the OPCC and is an oversight of what the PCC does within the Force and the review of policies that are in place. There is nothing specific to raise and overall, there are no significant risks identified.</p> <p>Key areas to note;</p> <ul style="list-style-type: none"> - The Fairness Policy and Standards Meeting is chaired by the Chief Constable. Three areas highlighted and an increase in submissions to this panel. - Promotions Process – seeks to ensure fairness to all officers. - PDR's – highlighted by HMICFRS re the corporate objective. 87% of PDR's completed within the Force. - Qtly PSD meetings where performance is reviewed. Briefing is prepared and all PSD information reviewed. IOPC stat <p>Questions</p> <p>Recommendation: The Ethics and Standards Update report was noted.</p>	
10/15/12/2022	<p>HMICFRS Update Report. (Paper). The HMICFRS update report was circulated and discussed.</p> <p>Highlights from the report were discussed. It was noted that the data presented shows that WMP are slightly above average. There are 2 areas being focused on</p> <ul style="list-style-type: none"> - Investigative standards and Improvement quality of investigations and the reduction in demand for officers. 	

	<ul style="list-style-type: none"> - Custody – areas for improvement, provision of custody and exercise yards. <p>There will be a Peel Inspection next year.</p> <p>A question was raised with regards to whether we could learn from other Forces Inspection reports. North Yorkshire generally comes out consistently good but that not aware if current report is available. It was noted that Humberside Police were judged as outstanding. The committee were advised that DCC Murray would be reviewing the outcomes of both Humberside and Merseyside reports to see if there is any learning that could be applicable to West Mercia.</p> <p>Recommendation: The HMICFRS update report was noted.</p>	
11/15/12/2022	<p>Members Points. (No papers).</p> <p>Review of the Terms of Reference (TOR). PB advised that he would take the paper forward and take to WM Governance Board for approval by Chief Constable and the PCC.</p> <p>It was noted that the next JASC meeting would be on 17th November 2022 from 1pm in person to discuss the Audit Findings Report and Audited Statement of Accounts.</p> <p>Proposal to move the December meeting to January 2023. Agreement that in future Qtr 3 meetings will be held in early January.</p>	
12/15/12/2022	<p>Any Other Business. (No papers).</p> <p>None raised.</p>	
13/15/12/2022	<p>Next Meeting. (No Paper).</p>	