

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

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| Date: | Tuesday 21 st March 2023, 14:00. Allsop Room, Hindlip |
| Chair: | Lynne Duffy (LD) |
| Minute Taker: | Alison Rixom (AR) |

Audit Committee Members

| | Name: | Capacity: |
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| Attendance: | Lynne Duffy (LD) | Chair, Committee Member |
| | Alan Day (AD) | Vice Chair, Committee Member |
| | Pierre de Carteret (PdC) | Committee Member |
| | Valerie Reynolds (VR) | Committee Member |

Office of the Police and Crime Commissioner

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

Force

| | Name: | Capacity: |
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| Attendance: | Alex Murray (AM) | Deputy Chief Constable |
| | Richard Muirhead (RM) | Director of Commercial Services |
| | Elaine Peberdy (EP) | Head of Audit, Risk and Compliance |

Internal Audit

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

External Audit

| | Name: | Capacity: |
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| Attendance: | Jackson Murray (JMu) | External Auditor |
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| | Name: | Capacity: |
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| Apologies: | Marc Bayliss (MB) | Deputy Police and Crime Commissioner |
| | Anthony Dipple (AD) | Committee Member |
| | Siobhan Barnard (SB) | External Auditor |
| | Matt Stiff (MS) | Head of SPI |
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Open Session

| Item No. | Summary | Action |
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| 01/21/03/2023 | <p>Attendance/Apologies. See above.</p> <p>The Chair welcomed everyone to the meeting.</p> | |
| 02/21/03/2023 | <p>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></p> <p>None declared.</p> | |
| 03/21/03/2023 | <p>Minutes of the meeting held on the 15th December 2022 and any matters arising (paper).</p> <p>The minutes were recorded as a true and accurate record.</p> <p>Matters Arising from the last meeting:</p> <p>05/21/06/2022 - Accounting Policies, estimates and uncertainties 2021/22. The Accounting Policies, estimates and uncertainties 2021/22 were circulated and discussed.</p> <p>- JM raised Force concerns regarding the replacement of the older vehicles within the fleet. The views of the 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. Update 27.09.22. DCC provided a short update – reports from the telematics project not available for</p> | DCC |

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| | <p>this meeting but will be issued when available. C/fwd. Update 21.03.23 - No updated provided at the meeting. C/fwd</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. Update 21.03.23 – Complete. Discharged.</p> | |
| 04/21/03/2023 | <p>External Audit – Progress Report (Paper).</p> <p>The paper was circulated prior to the meeting, key highlights reported.</p> <ul style="list-style-type: none"> - The Financial Statement Audit for 2021/22 is close to completion. - Audit opinions to be distributed by the end of this week, just the checking of the final amendments to the SoA accounts to be done. - The issue of the final Auditors Report to follow once the opinion has been completed. - No amendments to the ISA260 report since the version presented at December 2022. - External Audit for 2022/23 planned work has commenced. - Audit Plan will be presented at the next meeting in June 2023. - The timetable for 2022/23 Local Government financial statements will be prepared. - Flagged up to the committee that the May date will be a challenge for the draft financial statements it will be more like September and then November 23 for the published statements as last year. <p><u>Questions</u></p> <p>What are the implications in the delayed statement / notices being published. It was stated that there are no financial implications There is a potential reputational issue. PSAA provide press releases on what audits have been issued. A clear notice is required to be published on the website explaining the reasons for the delay.</p> <p>The external audit report was noted by members.</p> | |

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| 05/21/03/2023 | <p>2021/22 Statement of Accounts – (Verbal Update).</p> <p>A verbal update was provided to the members on progress for the completed 2021/22 Audit of the Statement of Accounts.</p> <ul style="list-style-type: none"> - Confirmed that we are expecting to complete the audit this week - Since the last audit meeting we have completed all the required work on valuations which was outstanding. No further errors were Identified. - Through Feb & March have been amending the accounts to ensure that it complies with audit requirements <p>The members noted the verbal update on the 2021/22 Statement of Accounts.</p> | |
| 06/21/03/2023 | <p>Internal Audit Plan 2023-24 (Papers).</p> <p>The Internal Audit Plan was circulated prior to the meeting.</p> <ul style="list-style-type: none"> - Internal Audit has engaged with the PCC's Office and the Force to identify areas of risk for focus in the plan. - Draft plan produced for 2023/24 audits, which sets out the work planned and addresses areas of identified risk and the financial reviews. - Proposed plan provides a good span of work. <p><u>Observations</u></p> <p>DCC – Firearms Licencing Unit (FLU) – this deserves consideration for inclusion into the programme of audits for 2023/24.</p> <p>It was confirmed that the FLU audit has just been completed and report has been finalised</p> <p>Action: It was agreed that PC and EP to share the audit report for FLU from Qtr. 3 to consider whether it provides sufficient assurance.</p> <p>DCC – Victim Grant Support – it was asked whether the value and impact would be part of the audit ToR to ensure that the services commissioned by the OPCC were appropriate, achieve desired outcomes and are providing Value for Money. It was noted that an expansion of the ToR around the monitoring of grants will capture this information.</p> | PC/EP |

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| | <p>Treasure commented that the scope of the work would include review of commissioning contracts as well as grants awarded.</p> <p>It was noted that the Internal Audit Report made 4 references to Warwickshire. Action: PC to check the document and amend accordingly.</p> <p>DCC wished to share the report with Chief Officers at the Exec Board. Action: EP/PC to provide a briefing paper prior to the Internal Audit Plan being presented to Exec Board.</p> <p>The SLA update reflects the dates for 2023/24. The members noted the SLA and the Charter.</p> <p>Recommendation: The members recommended the Internal Audit Plan for approval.</p> | <p>PC</p> <p>EP/PC</p> |
| 07/21/03/2023 | <p>Internal Audit Progress Report 2022/23 (Paper).</p> <p>The Internal Audit Progress Report for 2022/23 was circulated prior to the meeting.</p> <ul style="list-style-type: none"> - Progressing with the overall plan - Final piece of work for HR and Consultation of IT Service Desk - 2 audits completed in the last quarter – Custody and FLU - Overall, the work completed is mostly positive. <p><u>Questions</u></p> <p>It was asked whether the ICT Service Desk audit was imminent? It was stated that PC was liaising with ICT as it is still in the planning stage.</p> <p>It was asked what the significance of the handover document within Custody was. It was advised that the audit team were looking at the procedures themselves within Custody.</p> <p>The members noted the update.</p> | |
| 08/21/03/2023 | <p>Budget Report 2023/2024 (Paper).</p> <p>The Budget report was circulated prior to the meeting.</p> <ul style="list-style-type: none"> - The Annual Budget report had not been signed off by the PCC. | |

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| | <ul style="list-style-type: none"> - It is prepared and was taken to Police and Crime Panel in February 2023. The precept was agreed by the panel. - The PCC has approved revenue resources available of £234m. This has left a significant gap compared to expenditure proposed. - The budget report identified a budget gap of £10.5M. Within the last 3 months the Force and Chief Officers have done work to identify savings. - Agreed in principle what the savings plan will be and preparing the plan for completion by 24th March 2023 to produce a final balance budget. - Budget implementation teams established which will be overseeing the delivery of the savings plan working with managers. - The savings plan is detailed and comprehensive which has provided PCC with reassurance that it is deliverable. - The work undertaken is also considering the impact on 2024/25, will be the last year of the current comprehensive Spending review, where we are reasonably certain of what the funding from central government will be. Therefore, we have a reasonable expectation of what future savings will be required. <p><u>Questions</u></p> <p>What is the percentage contribution (£1.7M) from reserves? It was advised that £4M is likely to be required from reserves, equivalent to 4%. The Force have identified a large range of options for delivery of savings, including consideration of reductions in numbers of employees. However due to a forecast of underspend for this financial year, this will be utilised as a short-term solution to the current budget deficit and gives time and flexibility to reduce budgets in a planned and considered way.</p> <p>There was a discussion within the group about the use of reserves and members agreed that with the current economic climate it was acceptable for reserves to be utilised. It will not be a permanent position. Members agreed the use of reserves was the right process to take.</p> <p>The members noted the Budget Report update.</p> | |
| 09/21/03/2023 | Treasury Management Strategy 2023-24 (Paper). | |

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| | <p>The Treasury Management Strategy for 2023/24 was circulated prior to the meeting.</p> <ul style="list-style-type: none"> - Paper is submitted to the committee each year. - The Treasury Management and Investment strategies have been updated with no significant changes made. - The approach taken is to ensure that there is adequate cash flow and ensuring liquidity and security of assets. These principals are priorities over risk in out TM activity - The current economic conditions are not helpful to the PCC, and with the increase in interest rates which are expected to remain level in the short term, then possibly fall towards the end of the year. - The PCC holds limited cash resources during the year. - Medium Term shows increases in borrowing by Capital spend – rising to 4% of NRE, which is considered to be affordable - Liability benchmark – demonstrate how efficiently we are using internal resources against external borrowing, due to low level of cash resources available, reassured that our approach is appropriate <p>Recommendation: The members recommended the Treasury Management Strategy for approval.</p> | |
| 10/21/03/2023 | <p>Capital Strategy 2023/2024 (Paper).</p> <p>The Capital Strategy for 2024/24 was circulated prior the meeting.</p> <ul style="list-style-type: none"> - The strategy is being tabled at the West Mercia Governance Board 23.03.23 for approval. - The strategy sets out the Governance arrangements in what investments to make and what capital projects are affordable. - The paper talks about how affordable the strategy is recognising that the majority of funding is through borrowing. - The PCC has tasked Estates to look at the realisation capital receipts in the next year. - Looking to increase the amount of revenue utilised to fund resources - Aim of this is to keep the required level of borrowing to a minimum. | |

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| | <p><u>Questions</u></p> <p>Is the PCC looking to sell Evesham Contact Centre? It was advised that the building is surplus to requirement and is now empty. There are issues with the condition and Estates have been tasked in looking at the best options for the whole site.</p> <p>The new Redditch Police Station development, contracts have been signed with the developer. Considering options for Policing in Redditch whilst the site is being developed.</p> <p>Recommendation: The members recommended the Capital Strategy 2023/2024 for approval.</p> | |
| 11/21/03/2023 | <p>Update on Terms of Reference (Papers).</p> <p>The updated Terms of Reference was circulated prior to the meeting.</p> <ul style="list-style-type: none"> - Paper has been through approval with the Chief Officer team and they are happy with the changes subject to recommendation from the Committee. - The paper will be tabled at the West Mercia Governance Board on 23.03.23. - A lot of work on the TOR has been done by the committee. - There are 2 amendments: - - one regarding the administration arrangements for the term of the Chair of the Audit Committee (4 years). - Slight amendment to the timings of Audit Committee meetings – January, March and September. <p>Recommendation: The members recommended the Terms of Reference for approval, subject to the amendment proposed.</p> | |
| 12/21/03/2023 | <p>OPCC Risk Register (Papers).</p> <p>The OPCC Risk Register was circulated prior to the meeting.</p> <ul style="list-style-type: none"> - Risk Register has been updated since the last meeting. | |

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| | <ul style="list-style-type: none"> - No changes to the risks related to budget pressures. - No changes to the risk around Wychavon District Council and the proposed SWDP. - All risks remain at the same level. <p>The members noted the OPCC Risk Register update.</p> | |
| 13/21/03/2023 | <p>Ethics and Standards Update (Paper).</p> <p>The Ethics and Standards Update paper was circulated prior to the meeting.</p> <ul style="list-style-type: none"> - The Fairness and Standards Committee is chaired by the DCC. - The most recent fairness at work reports shows the lowest number of cases for several years and the timescale for completing fairness at work reviews have reduced. - Police Forces to check all staff vetting following the well-publicised Met review. - Firm standard around vetting issue at WMP. Confident that the vetting is following process and requirements, but there is a backlog that needs to be managed. - National vetting – this is utilised principally for contractors vetting. - No Local Investigation letters have been sent. There are still 2 outstanding letters which have no explanation as to why these are outstanding. Further update due in Qtr4. - PCC reviewed 55 complaints of which 44% were upheld which is better than last quarter. <p><u>Questions</u></p> <p>Are there any themes from the complaints that are made to the PCC that requires actions. It was advised that it was more about the process that was followed rather than actions taken. All upheld complaints are reviewed to see what lessons can be learnt</p> <p>The members noted the Ethics and Standards update.</p> | |
| 14/21/03/2023 | HMICFRS Update Report (Paper). | |

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| | <p>The HMICFRS Update report was circulated prior to the meeting.</p> <ul style="list-style-type: none"> - HMICFRS is the inspection of Police Forces with monitoring and reporting for areas of improvement. - Page 2 of the report shows an improvement in open causes of concern. - West Mercia's AFI's remain slightly higher compared to the national average, the focus has been on ensuring that the outdated recommendation that have been satisfied, so now in a much stronger position. - There has been a change to recommendations and AFI's, they are now graded 1 – 4. WMP have no 4's and there is a rough 50% split between levels 2 and 3. - Focus has been on clearing the number of open recommendations to a more manageable level and has put the force in a healthier position. - HMICFRS also collect statistical data from all forces. This data is available via PEEI Digital Analysis Packs within Microsoft PowerBI. - Current activity is based around the Forces response to the Peel 2021/22 Inspection around Custody and Vetting Misconduct and Misogyny. - Forthcoming activity is focusing on SOC and new ROCU joint inspections which will take place in June 23. <p><u>Questions</u></p> <p>The panel were asked whether the HMICFRS should be tabled every 6 months rather than quarterly.</p> <p>The panel approved 6 monthly updates.</p> <p>The members noted the HMICFRS update.</p> | |
| 15/21/03/2023 | <p>Members Points (No paper).</p> <p>None recorded.</p> | |
| 16/21/03/2023 | <p>Any Other Business (No papers).</p> <p>None recorded.</p> | |
| 17/21/03/2023 | <p>Next Meeting. (No Paper).</p> | |

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| | <p>26th June 2023, 14:00, Allsop Room, Hindlip Hall. 25th September 2023, 14:00, Allsop Room, Hindlip Hall 8th January 2024, 14:00, TBA - Hindlip Hall 25th March 2024, 14:00, TBA - Hindlip Hall.</p> <p>PB to consider the January 2024 meeting due to Financial Reports, so will monitor and advise nearer the date if meeting needs to be moved.</p> | |
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