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# **JOINT AUDIT COMMITTEE (JAC)**

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**Minutes from public  
meeting held on  
02 July 2020**

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**JOINT AUDIT COMMITTEE (JAC)  
PUBLIC MINUTES**

Notes of the meeting held on 2<sup>nd</sup> July 2020 by video link

**Present:**

Sue Davis	-	Chair
Richard Hollands	-	Independent Member
Brendan Connor	-	Board Member
Cath Hannon	-	Board Member
Gurinder Singh Josan	-	Board Member
Jonathan Jardine	-	Chief Executive
Vanessa Jardine	-	Deputy Chief Constable
Neil Chamberlain	-	Director of Commercial Services
Mark Kenyon	-	Chief Finance Officer
Davinder Jagpal	-	AD Finance – WMP
Lynn Joyce	-	Head of Internal Audit
Abi Preston	-	Senior Accountant - WMP
Shameem Ahmed	-	Inspector – WMP
Janey Barrett	-	Head of Insurance Services
Alex Walling	-	External Auditor – Grant Thornton

**Plus a note taker and an observer**

<b>418</b>	<b>Item 1 - Apologies</b>  An apology was received from external auditor Emily Mayne.  The Chair welcomed new independent panel member, Richard Hollands, to the committee. The Chair also congratulated Vanessa Jardine on her appointment to Deputy Chief Constable.
<b>419</b>	<b>Item 2 - Declarations of Interest</b>  There were no declarations of interests raised.
<b>420</b>	<b>Item 3 – Minutes of the last meeting</b>  The considerations and questions of the previous meeting held on 26 <sup>th</sup> March 2020 were agreed as an accurate record of proceedings.
<b>421</b>	<b>Item 4 - Matters Arising</b>  There are no current matters arising.  The Chair advised that the Force was expecting to develop work regarding the HMICFRS value for money profiles, however due to the current pandemic this work has not progressed. The Chair advised that this work will be reported to future meetings.

	<p>The Chair shared details of a breach with the Corporate Governance framework reported to her. This breach happened at a time when all public bodies were seeking to obtain Personal Protective Equipment (PPE) for their staff. A significant level of PPE was purchased by the Force at request of the Home Office and on behalf of a number of forces, without prior approval of the Police and Crime Commissioner (PCC). Retrospective approval was given by the PCC. The Chair was advised of this breach and for openness the Audit Committee was made aware and the breach is now recorded.</p> <ul style="list-style-type: none"> <li>- The Chair asked whether the reimbursement of the cost of the equipment was still a matter of negotiation or whether it has been settled.</li> </ul> <p>Mark Kenyon advised that the incident is still ongoing, with only verbal promises that we will receive the money back, other forces are in a similar position. We continue to lobby the Home Office and the Policing Minister.</p>
422	<p><b>Item 5 – Appointment of Vice-Chair</b></p> <p>There has been a vacancy of Vice-Chair since the previous independent member left. The Chair proposed that Richard Hollands would be the most appropriate Vice-Chair to appoint. All members agreed and Richard accepted this appointment.</p>
423	<p><b>Item 6 – Annual Governance Statements</b> <i>Presented by Mark Kenyon and Davinder Jagpal.</i></p> <p>The report was circulated in advance of the meeting and therefore Mark Kenyon and Davinder Jagpal highlighted the key points from this report:</p> <ul style="list-style-type: none"> <li>• The Annual Governance Statements (AGS) for the PCC and West Midlands Police were prepared separately.</li> <li>• The PCC’s statement details the governance issues that are presently being faced, with the current pandemic been emphasised and how the issue is being dealt from a governance perspective.</li> <li>• The PCC continues to hold the Chief Constable to account, especially regarding the significant funding reductions and operational performance during this time.</li> <li>• The PCCs AGS correlates with CIPFAs seven principles that are detailed within the Governance Statement.</li> <li>• The Force’s statement was also prepared in line with the CIPFA framework and has developed upon previous years.</li> <li>• Davinder Jagpal highlighted that the Force Governance Manager has left the Force and a new Head of Strategy and Direction has been appointed who will lead on the statements going forward.</li> <li>• With regards Covid a specific risk exposure has been included. Some Governance Boards were temporarily paused, but have now been reinstated. Some new governance arrangements were put in place to deal with the Covid situation</li> </ul> <ul style="list-style-type: none"> <li>- Richard Hollands highlighted a lot of emphasis on process within the statements, however there is a lack of information regarding the outcome and evaluation of the processes. He asked what the appropriate content should be.</li> </ul> <p>Mark Kenyon emphasised how the AGS arrangements comply with the seven principles set out within the CIPFA Governance Framework. An evaluation document has been prepared setting compliance with each of the seven statements. Mark Kenyon agreed to share this document with committee members.</p>

	<p>- Gurinder Josan asked in the event that the current situation doesn't improve dramatically, what plans are the Force and PCC making to review Governance and how it may be changed and if there is an opportunity to do things differently to make them more efficient.</p> <p>Mark Kenyon replied, advising how the current pandemic is causing constant contextual changes in strategic direction, and such issues are detailed within the Emergency Chapter of the Police and Crime Plan. The methods that have improved efficiency during the pandemic will be implemented in the future, and currently there are groups in place to consider how policing will potentially operate in the future given the experience of operating under different arrangements.</p> <p>DCC Vanessa Jardine responded that the Force adapted effectively and efficiently at the beginning of the pandemic, meaning everything is starting to successfully reinstate. A full Recovery Group is in place, who are considering the learning from the experience and methodologies to adapt to the more efficient ways of working operationally. The Force is in good position, should a second wave of the virus occur within the West Midlands. The Recovery Board is actively engaged in looking at new ways of working and potential opportunities for new ways of governance in that process.</p> <p>Jonathan Jardine discussed the democratic oversight regarding the pandemic, advising that the PCC is considering the role of Commissioner's in relation to the emergency plans being considered for the longer term. National discussions will happen about lessons learnt and expect submissions from PCCs on this point.</p>
424	<p><b>Item 7 - Statement of Accounts</b>  <i>Presented by Mark Kenyon, Davinder Jagpal and Abi Preston.</i></p> <p>The report was circulated in advance of the meeting and therefore Mark Kenyon and Davinder Jagpal highlighted the key points from this report:</p> <ul style="list-style-type: none"> <li>• The report is significant in terms of the deadlines for the publication of accounts being delayed, as a consequence of the current pandemic. The deadline for the publication has altered to the 30<sup>th</sup> November 2020, as opposed to 31<sup>st</sup> July 2020.</li> <li>• The Police and Crime Commissioner Office highlighted an underspend within their accounts over the year. This can contribute to future year budgets and potential financial pressures.</li> <li>• The Police and Crime Commissioner Office has reserves totalling roughly £60m, which is carried forward to assist with the day-to-day running of the Force.</li> <li>• Forecasted to the end of June 2020, £11m has been spent as a consequence of the current pandemic.</li> <li>• The present financial position is sustainable, albeit waiting for impacts of the future budget announcements from the government.</li> </ul> <p>- Richard Hollands raised a question around the additional funding for recruiting new police officers. Is the Force being directed into spending in areas it has no control over when it would ideally like to spend it somewhere else?</p> <p>Neil Chamberlain responded that the Force are lobbying for higher investments in policing and increasing officer numbers will create further on costs, for example uniform, equipment, radios. Despite the current need for officer numbers to increase, the Force are still on track to achieve this objective and the money is being directed to where it needs to be spent.</p> <p>The Chair and Neil Chamberlain praised the work that the finance team have completed over the last couple of months, recognising how the team's initial response to the pandemic was extremely efficient.</p>

	<p>Jonathan Jardine also responded that there has been an increase in short term grants captured within the statement of accounts. Surge funding has been received to increase capacity to respond to youth violence; examples including the work completed regarding the use of Taser devices along with the Violence Reduction Unit projects. Such short term projects increase the difficulty of remaining financially sustainable, and tight timescales are also highly problematic.</p>
<p><b>425</b></p>	<p><b>Item 8 – Internal Audit Update</b> <i>Presented by Lynn Joyce.</i></p> <p>The report was circulated in advance of the meeting and therefore Lynn Joyce highlighted the key points from this report:</p> <ul style="list-style-type: none"> <li>• Since the report was drafted two audits have been finalised, and two are still awaiting management response.</li> <li>• Progress on some outstanding recommendations has stagnated. For example the progress regarding some of the recommendations in appendix four of the report is slower than expected, however is being monitored.</li> <li>• The team didn't achieve their 90% target for completion of the internal audit plan, as a consequence of testing being limited due to the current pandemic.</li> <li>• Regarding the outcomes of the DDI audit, concerns have been shared with the Programme Management Office for lessons learnt on future projects.</li> <li>• Management continue to address concerns and feedback of Insight Search. Delays may have occurred as a consequence of the pandemic, however action plans are in place.</li> </ul> <p style="margin-left: 40px;">- Cath Hannon questioned the accuracy of address records along with how the Force responds to incidents. If the Force can't find the address, how can they respond to incidents? In terms of matching and merging how can officers get an accurate record of what those records mean?</p> <p>DCC Vanessa Jardine responded that the system is data driven and will therefore discuss with the Force Executive team the areas that need to be addressed. Presently, Flints System is still up and running, which officers are familiar with. DDI provides much better technology. The Force need to minimise the risks involved when transferring information to a new system, as duplicate addresses are being recorded. An update will be given at the next meeting and a clear plan will be introduced in order to address issues. Further investment into DDI will be considered in the future.</p> <p>Lynn Joyce responded that regarding address matches exercises are progressing to resolve the issues, initially starting with Oasis. A plan needs to be implemented regarding other systems ingested into Insight Search to ensure data accuracy.</p> <p style="margin-left: 40px;">- Cath Hannon asked for further assurance around the Gazetteer and address issue and that the public would get the police response for whatever incident is happening at that address.</p> <p>DCC Vanessa Jardine emphasised that the Force respond to all emergencies in the appropriate manner and always deploy to an incidents. DCC Jardine agreed to find out the level of concern around the Gazetteer and feedback.</p> <p style="margin-left: 40px;">- Richard Hollands questioned how change projects are generally being managed. Are the issues identified in the DDI report common themes?</p> <p>Lynn Joyce responded that the last few projects have seen vast improvements. The observations in DDI were replicated in earlier projects, which started in 2016/17, but</p>

	<p>position is constantly developing. Bi-monthly meetings occur with the programme management office and we are now involved in projects much earlier allowing us to share common findings and issues. Project reviews around new systems are being undertaken, around user testing, data migration, training and management reporting.</p> <ul style="list-style-type: none"> <li>- Gurinder Josan raised concerns towards the reason for the delay in management response (Appendix 3 &amp; 4). Some management responses have not been received for some time, when will the responses be available?</li> </ul> <p>Lynn Joyce responded that this falls within the Shared Services Department, and that the team are monitoring the situation. The Shared Services Manager has been heavily involved with responding to the pandemic, which could be the reason for delay. Lynn Joyce will ask for a definitive update on the reason for this delay, or ask the manager to attend the next meeting in order to generate an outcome. Recommendations continue to be followed up responses until they have been implemented, therefore the project is always flagged red until a decision is made to close.</p> <ul style="list-style-type: none"> <li>- Richard Hollands referred to the data privacy impact assessments (Page 16), asking why they are difficult to complete considering ICO guidance is detailed and easy to follow.</li> </ul> <p>Lynn Joyce responded that management are clear what is required, and templates are in place, with staff also receiving training. Writing this into a detailed policy is what is required and maybe it's as simple as referring to the ICO guidance for information.</p>
426	<p><b>Item 9 – Risk Management Update, including Force Risk Register and OPCC Risk Register</b>  <i>Presented by DCC Vanessa Jardine and Mark Kenyon.</i></p> <p>The report was circulated in advance of the meeting and therefore Mark Kenyon highlighted the key points from this report:</p> <ul style="list-style-type: none"> <li>• Risks have changed in terms of mitigations and scoring,</li> <li>• The Emergency chapter within the Police and Crime Plan details the affect the pandemic has had on operations. This is supported by an action plan.</li> <li>• Regarding the overall risks, the top twelve risks are being monitored on a regular basis. There is a target residual score monitored by management team</li> <li>• Information has been updated concerning a potential lack of resources as a result of the pandemic.</li> </ul> <ul style="list-style-type: none"> <li>- Richard Hollands asked if we make use of movement analysis to demonstrate movement in scores is used and are if the team are monitoring such affects comparative to previous years.</li> </ul> <p>Mark Kenyon responded that movement has been previously reported and is being completed. Information can be shared at the next meeting.</p> <ul style="list-style-type: none"> <li>- Cath Hannon highlighted the lack of information regarding police officers recruitment and officers progressing their careers within WMP once their training is completed, and therefore asked if the most suitable officers are being recruited.</li> </ul> <p>DCC Vanessa Jardine responded that it is too early to provide statistics and information on the matter, as many officers are still in training. The Force does track attrition rates but it's too early to say whether the new recruits will continue their career with the Force and whether they are the right recruits. Developments to entry processes and training courses has increased the variety of officer recruits. The Force are tracking the level of diversity and understand who is joining the organisation.</p>

	<ul style="list-style-type: none"> <li>- Brendan Connor discussed how despite both risk registers detailing the impact of the pandemic, the assumptions may change in light of the scale of what is happening in public sector finances, GDP etc. and we should assess all of the risks and stress test them against what we know of what the post Covid world is.</li> </ul> <p>DCC Vanessa Jardine responded that the new Head of Strategy will independently review every single risk, and will therefore update members in the next meeting. The Force risks haven't changed in the last period, but will undergo a review.</p>
427	<p><b>Item 10 – HMICFRS Update</b> <i>Presented by Shameem Ahmed.</i></p> <p>The report was circulated in advance of the meeting and therefore Shameem Ahmed highlighted the key points from this report:</p> <ul style="list-style-type: none"> <li>• HMICFRS has continued with the suspension of all inspection work due to the pandemic. Such inspections will be under review and will potentially restart from autumn 2020.</li> <li>• Despite the inspections being suspended, the appropriate checks regarding previous activities are still being undertaken.</li> <li>• With regards to safeguarding children, HMICFRS are impressed with the Force's processes and will share strategies with other Forces as good practice.</li> <li>• HMICFRS has published a Counter Terrorism report, redacted for security measures. The Force have implemented strategies to protect and support those who are vulnerable towards radicalisation. The appropriate officer is monitoring and assessing the situation within the West Midlands.</li> </ul> <ul style="list-style-type: none"> <li>- Cath Hannon asked about a HMICFRS report regarding corruption unit and corrupt police practice and recommendations have only been taken on board by 2 police forces. If WMP are not one of these forces, what are the plans for bringing those recommendations forward within the Force?</li> </ul> <p>Shameem Ahmed asked for the details of the exact report so that an update on this will be provided within the next meeting. The Force recommendations are monitored on a quarterly basis to see if their services have successfully completed the HMICFRS recommendations. If HMICFRS are satisfied with the result, then the Force can close the recommendations.</p> <p>Cath Hannon agreed to send the report.</p>
428	<p><b>Item 11 – Insurance Information</b> <i>Presented by Janey Barrett.</i></p> <p>The report was circulated in advance of the meeting and therefore Janey Barrett highlighted the key points from this report:</p> <ul style="list-style-type: none"> <li>• This year has been challenging in terms of insurance programmes.</li> <li>• Property and Assets Insurers pulled out of the market, only six months into their five year contract.</li> <li>• Overall, £384,000 has been saved in comparison to the amount spent last year.</li> <li>• The price and quality of insurance cover has increased, for example risk management factors with aspects such as super custody blocks and equipment such as the need for body cameras. The overall savings over the five year period is £1.3 million.</li> <li>• The Insurance Fund and Counter Committee were both below exposure and therefore claims were settled below their anticipated amount.</li> <li>• There is a £400,000 surplus for claims incurred but not yet reported.</li> </ul>

	<ul style="list-style-type: none"> <li>• Risk management around having increased exposure has increased monitoring on development and reserves on claims, meaning the fund can be increased if necessary.</li> <li>- Richard Hollands asked if the decision to self-insure a financial decision or was it driven by something else?</li> </ul> <p>Janey Barrett responded that the team would look at previous claims experience and modelling and what could be predicted in likelihood of catastrophic claims. The experience of claims within West Midlands, the Police Force and both public and private savings would be considered. There remains a need to increase the fund when necessary regarding claims exposure, for example motor insurance has been particularly difficult.</p> <ul style="list-style-type: none"> <li>- Brendan Connor raised an observation that within the ‘Investment in Telematics’ business case, savings on insurance were not highlighted. As a result, there is an unexpected saving from IT investment.</li> </ul> <p>Janey Barrett responded that telematics has a wider range of risk management measures alongside increased dynamics to the insurance market. The Team have a £500,000 excess on each claim and there is also a ‘Stop Loss’ for the year at 7.1 million, which provides a safety net for maximum exposure in a financial year.</p> <p>The Chair thanked and congratulated Janey Barratt and her Team for the work completed.</p>
429	<p><b>Item 12 - Internal Audit Quality Assurance and Improvement Programme</b> <i>Presented by Lynn Joyce.</i></p> <p>The report was circulated in advance of the meeting and therefore Lynn Joyce highlighted the key points from this report:</p> <ul style="list-style-type: none"> <li>• After reviewing the team’s self-assessment against the overall standards, the team are fully compliant regarding the requirements that were introduced in 2017.</li> <li>• Appendix B of the report details improvements that the team have identified and therefore progressed.</li> <li>• Changes to the working papers system hasn’t progressed, however this hasn’t impacted performance.</li> <li>• The Annual Stakeholder Survey hasn’t taken place due to the pandemic. The team have reflected on previous results of the questionnaires, and has suggested abolishing the survey and incorporating its contents with the Post-Audit Survey as a consequence.</li> </ul> <p>The Chair checked for reservations regarding abolishing the Annual Stakeholder Survey. No reservations were given.</p> <ul style="list-style-type: none"> <li>- Richard Hollands asked if changes were necessary, in terms of the skills and capabilities of the team.</li> </ul> <p>Lynn Joyce responded that overall the team has adapted effectively to working from home; the only concern being sensitive records need to be accessed through physical site visits. As a result, audit templates and operational practices are changing. For example the engagement plan assesses the upfront risks of coronavirus and considers how audits can be conducted remotely. Despite the audit team being small, skills are being developed and options for further training are being explored.</p> <p>Neil Chamberlain highlighted how the Force have excelled with the introduction of new technology and has offered a partnership approach to ensure the audit team has the right access to the appropriate equipment and training.</p>

	<ul style="list-style-type: none"> <li>- Gurinder Josan asked what the considerations may be for the future regarding the impact of working from home.</li> <li>- The Chair asked for this to be included as an agenda item for the next meeting in terms of where are we now and how far have things moved and what is the impact</li> </ul> <p>Jonathan Jardine responded that the Covid emergency has required new ways of working being adopted very quickly and I would be asking Lynn and her team to consider what the additional risks are that we may experience from increased fraud, insider threats etc. from this different working environment</p> <p>Lynn Joyce agreed with Jonathan's comments and part of the reason for changing templates was to give some thought to those increased risks as we are planning audits.</p>
<p><b>430</b></p>	<p><b>Item 13 - Internal Audit Annual Report 2019/20</b> <i>Presented by Lynn Joyce.</i></p> <p>The report was circulated in advance of the meeting and therefore Lynn Joyce highlighted the key points from this report:</p> <ul style="list-style-type: none"> <li>• 26 audits have been completed throughout the year, with only 6 recommendations being high.</li> <li>• The self-assessment against PSIAS demonstrated 100% compliance.</li> <li>• Good questionnaire results were also received, emphasising a successful performance indicator.</li> <li>• Overall the plan wasn't achieved, however, there is an adequate assurance opinion on governance, risk management and control for both organisations.</li> </ul> <ul style="list-style-type: none"> <li>- Cath Hannon asked for details about the failings within the missing person's audit, and asked which department has specific responsibility for this.</li> </ul> <p>Lynn Joyce agreed to share the report previously discussed at the JAC meeting in December. The entire missing persons system has been impacted. Issues have occurred at each stage, from the initial call being received, to the assessment of the risk, through to the force's response and locate. The Force have a robust action plan around this and a follow-up is in progress.</p> <ul style="list-style-type: none"> <li>- Richard Hollands expressed his thanks to the audit team, highlighting how completing 84% of audits within these exceptional circumstances is a good achievement.</li> </ul>
<p><b>431</b></p>	<p><b>Item 14 - External Audit - Progress Report and Sector Update</b> <i>Presented by Alex J Walling.</i></p> <p>The report was circulated in advance of the meeting and therefore Alex J Walling highlighted the key points from this report:</p> <ul style="list-style-type: none"> <li>• Audit work has started and will be completed remotely, therefore causing a potential delay in completing the audit.</li> <li>• The report focuses on potential changes as a consequence of the pandemic, such as pension liabilities and investment values.</li> <li>• The deadline for the completion of the accounts audit has moved from the 31<sup>st</sup> July 2020 to November 2020. Despite this, the team are still aiming to complete the audit in a timely manner in order to assist with their budget for the following financial year.</li> </ul> <ul style="list-style-type: none"> <li>- The Chair raised concerns towards property revaluations, suggesting a duplication of efforts may be occurring due to timings the revaluations are undertaken.</li> </ul>

	<p>Davinder Jagpal responded that a duplication of efforts hasn't occurred. An evaluation of property was completed later in the year to report the position as at the 31<sup>st</sup> March 2020, therefore this will not be an issue within the set of accounts for this financial year.</p>
<b>432</b>	<p><b>Item 15 - External Audit – Addendum to Audit Plan – Covid-19</b> <i>Presented by Alex J Walling.</i></p> <p>The report was circulated in advance of the meeting and therefore Alex J Walling highlighted the key points from this report:</p> <ul style="list-style-type: none"> <li>• The report sets out both standard and COVID related risks for all public sector entities.</li> <li>• Work is to be completed around the going concern of the organisation considering the implications of the pandemic an areas such as funding.</li> </ul>
<b>433</b>	<p><b>Item 16 - Joint Audit Committee Annual Report</b></p> <p>The Chair expressed her thanks for how members are engaged in the work of the Committee and how prepared they are showing an understanding of issues discussed. The Officers that attend have a good understanding of why this committee is important, and therefore attempt to answer questions and be of assistance. The Chair thanked those who have helped the committee to work successfully.</p> <ul style="list-style-type: none"> <li>- Richard Hollands asked if the committee self-assessment their own performance and contribution.</li> </ul> <p>The Chair confirmed they did, including their ongoing development programme. An annual assessment of performance will be undertaken so we make good use of the remaining term.</p>
<b>434</b>	<p><b>Item 17 - JAC Work Programme</b></p> <p>This was presented for information only.</p> <ul style="list-style-type: none"> <li>- Brendan Connor asked whether in light of where we are, whether we want to change the priorities on the forward work plan, e.g. terrorist offender management and MyTime.</li> </ul> <p>Lynn Joyce responded that the Terrorist Offender Management audit involves external visits to site which were planned for later in the year to accommodate social distancing etc. and will therefore be incorporated into a long term plan. A meeting is arranged for August 2020 to start this review. MyTime is also planned for later in the year so we would have to review resources to establish if an earlier start could be accommodated.</p> <p>Conclusion of the public session.</p> <p><b>Date of the next meeting - 28th September 2020 at 9.30am.</b></p>