
JOINT AUDIT COMMITTEE (JAC)

**Minutes from public
meeting held on
07 January 2021**



JOINT AUDIT COMMITTEE (JAC) PUBLIC MINUTES

Notes of the meeting held remotely on 7 January 2021

Present:

Sue Davis	:	Chair
Richard Hollands	:	Vice Chair
Brendan Connor	:	Board Member
Cath Hannon	:	Board Member
Gurinder Singh Josan	:	Board Member
Jonathan Jardine	:	Chief Executive – PCC
Mark Kenyon	:	Chief Finance Officer - PCC
Lynn Joyce	:	Head of Internal Audit - PCC
Gemma Brookes	:	Principal Auditor - WMP
Vanessa Jardine	:	Deputy Chief Constable
Neil Chamberlain	:	Director of Commercial Services - WMP
Harry Barton	:	Head of Strategy and Direction - WMP
David Twyford	:	Chief Superintendent - WMP
Shameem Ahmed	:	Inspector – WMP
Alex Walling	:	External Audit – Grant Thornton
Emily Mayne	:	External Audit – Grant Thornton

Plus one note taker and one observer.

448	Item 1 – Apologies
	The Chair welcomed everyone to the meeting. There were no apologies received.
449	Item 2 - Declarations of Interest
	There were no declarations of interest raised.
450	Item 3 – Minutes of the last meeting
	The minutes of the previous meeting held on 28 September 2020 were agreed as an accurate record.
451	Item 4 - Matters Arising
	Mark Kenyon highlighted the following key points from an arising matter: <ul style="list-style-type: none">• In the approved Treasury Management Strategy, investments in local authorities are included.• Local Authorities are under increased financial pressures due to the current pandemic.• Croydon Council have issued a Section 114, meaning their planned expenditure is higher than their income for the year.• The OPCC has £10 million invested in Croydon Council due to mature next year• We are confident we'll get the money back as they have a contractual arrangement they have to honour.

- Actions are being taken to amend the Treasury Management Strategy to limit investments in Local Authorities to £5 million. This will be discussed further at the next meeting when the Treasury Management Strategy will be discussed for the next financial year.
- Gurinder Singh Josan asked whether there are any similar risk factors within other local authorities?

Mark Kenyon responded that as part of due diligence, the Force are monitoring and reviewing the debt exposure and the overall financial position of each Local Authority.

- Brendan Connor questioned if a Local Authority has ever defaulted on an inter public sector, or government, debt.

Mark Kenyon responded that as far as he is aware, there is no past organisation that has defaulted. There was a situation with Northampton council in the past, who also issued a Section 114. However, the money was returned as part of their contractual agreement.

Brendan Connor responded that despite the positive consequences of due diligence, concerns can still arise. For example, commercial property values have collapsed due to the current pandemic. As a consequence, investment in retail has caused an issue between debts versus assets thus, the sudden exposure of debts cannot be foreseen.

The Chair echoed that this matter will be brought to the next meeting in March as part of Treasury Management agenda item.

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Item 5 – Anti-Fraud, Bribery and Corruption Effectiveness Review

Presented by David Twyford and Mark Kenyon.

The report was circulated in advance of the meeting and therefore David Twyford and Mark Kenyon highlighted the key points from this report:

- The report explores complaints and conduct matters that have occurred from November 2019– October 2020. This is in relation to anti-fraud and bribery within West Midlands Police.
- The number of allegations is extremely low within West Midlands Police. In total there were 14 allegations involving 15 people, 12 of which involved police officers, and 3 involved police staff.
- 5 cases have been finalised, and are detailed in the appendix of the report.
- Theft and fraud reports are being made, and the Department receives intelligence regarding these matters. These reports are really low level and are therefore categorised as low risk. They are not included in the control strategy as a result of this.
- The Prevention and Intervention Team are able to intervene at an early process.
- Interviews and further communication takes place when appropriate to do so.
- Annual integrity health check goes online this month. This will include business interests going forward.
- The Force's whistleblowing policy is live on the website.
- Every case is treated seriously and proportionately.
- No fraud has been identified through internal audit work.
- £38,000 savings identified as a result of National Fraud initiative work
- Richard Hollands asked for information on the number of staff that have received training.

David Twyford responded that all new recruits receive training upon joining West Midlands Police. In relation to Front Line supervisors, 277 were trained in 2018 and therefore promoted within the organisation, 144 were training in 2019.

Training did not take place last year due to current pandemic and the Government restrictions that were imposed. A self-learning tool was therefore introduced as a consequence. Training will be

	<p>included in future integrity checks, and a plan is being generated for implementation when the pandemic and restrictions decrease.</p> <ul style="list-style-type: none"> - In relation to the National Fraud Initiative, Cath Hannon asked if staff have identified that they have been overpaid, or if the Initiative released this information? <p>Lynn Joyce responded that deceased pensioners is the main contributor to this. In the majority of cases, the Pensions Team are aware of these incidents however the money has not been fully recovered from the estate. £7,000 of the Initiative links to those that are in receipt of injury benefits as well as an enhanced pension. The Team undertake annual checks where people are due to notify the Team of any benefits received. Unfortunately, this has resulted in cases being chased in order to recover payments. There is a process in place to recover any money, however it can be time consuming due to the sensitivity of individual situations. Mortality screening also takes place annually.</p> <ul style="list-style-type: none"> - Cath Hannon also queried if 'no case to answer' what support is available to officers upon their return to the organisation? <p>David Twyford responded that wellbeing issues occur when allegations are made and are categorised under 'no case to answer.' In such cases, a welfare officer is aligned to this member of staff in order to ensure the individual returns to the organisation appropriately and concerns are understood.</p> <p>David Twyford also highlighted how a colleague is currently completing their Masters Degree, and is studying a report based on the psychological effect of officers returning to work. This can be shared with members once completed.</p> <ul style="list-style-type: none"> - Gurinder Singh Josan questioned the expectancy of time lines from an initial observation to the conclusion of the case. Are statistics available from previous years in order to discover any outstanding cases? <p>David Twyford responded that timing is critical for these circumstances, however due to the diversity of each case there is no generic time scale. The new regulations, introduced through the House of Commons' reports, were discussed. A key part of the regulations is around reflective practice and taking a proportionate approach to matters. The broader theme of the regulations is therefore to follow best practice in order to heighten efficiency and effectiveness.</p> <p>David Twyford advised that an update could potentially be provided the next time this item is on the agenda in terms of outstanding cases.</p> <p>Gurinder Singh Josan responded that the figures should reflect a small number of cases, and therefore an annual update will suffice</p> <p>The Chair agreed that an annual update would be reasonable but there's a wider point about how long these are taking, whether they've been in the system for over say six months etc. and the Force may wish to advise the committee on these. The Chair also noted that the minimal number of cases could suggest things are being overlooked or missed as opposed to evidence there is not a problem.</p> <p>David Twyford assured members that this isn't the case and nothing has been overlooked.</p>
453	<p>Item 6 – HMICFRS Update <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"> • Since the last report, HMICFRS recommendations have been assessed. • 98 recommendations have been reviewed. 38 were categorised as green, 54 were categorised as amber and 6 were categorised as red.

- A Panel chaired by DCC Vanessa Jardine, Harry Barton and Neil Chamberlain reviewed HMICFRS recommendations. Decisions were made as to whether the recommendations are to continue or be internally signed off as complete. These will be taken to HMICFRS for sign off.
- West Midlands Police submitted over 60 documents for their virtual Covid-19 inspection. 19 forces were inspected.
- Documents were submitted for their inspection regarding protests, concerning protection of both the police and public. This was a remote inspection, and the feedback exemplified that West Midlands Police manages protests well, making use of intelligence and completing collaborative work with partnership organisations.
- Documents were also submitted for the inspection regarding the CPS response to rape. The feedback was largely positive.
- A Sensitive Intelligence inspection is set to take place the week commencing 25th January 2021. An update will provided at the next meeting.
- The National Crime Agency Inspection Report has been published.
- Brendan Connor asked for clarity regarding the difference between intelligence and sensitive intelligence.

Shameem Ahmed responded that any information about activity that is shared with us by the public or any other source is labelled as intelligence. Sensitive intelligence is information that the Force would deal with in a covert or tactical way. This inspection will not affect the Force's sensitive intelligence process.

- Brendan Connor also questioned if the Force have reviewed the inspections report concerning Greater Manchester Police, and if they have compared the information to West Midlands Police practices, particularly in areas of crime recording and management of domestic abuse cases.

Shameem Ahmed confirmed that the report being referred to has been reviewed. The information detailed has been compared to West Midlands Police's processes. As a result, the Force have introduced a new audit function into the organisation, with a new superintendent specifically aligned to improving the crime recording process.

DCC Vanessa Jardine offered reassurance that discussions have taken place with the Chief Constable of Greater Manchester Police in relation to the report. DCC Jardine's primary responsibility is improving force performance, including the inspection regime. Domestic abuse cases have increased within the West Midlands, creating additional challenges across domestic abuse teams. HMICFRS have also previously reported on the standards relating to Crime Data Integrity which the Force are committed to improving. The Force is very much in consultation with Greater Manchester Police and have been working hard for a significant time to ensure we deliver the best service for the West Midlands.

Jonathan Jardine welcomed an inspection within the West Midlands region. On the sensitive intelligence inspection this has been signed off by HMICFRS and Investigatory powers Commissioners Office (IPCO). We would welcome an inspection in this area. At present, there is a degree of ambiguity towards the role of PCCs and the oversight of covert and tactical information and have sponsored an amendment to the Covert Authorities Bill that is going through parliament at the moment.

In relation to the report released by Greater Manchester Police, Jonathan Jardine advised that the inspection is being used as a terms of reference in a new report being brought to the PCCs Group meeting taking place in February 2021.

454	<p>Item 7 - Risk Management Update, including Force Risk Register and OPCC Risk Register <i>Presented by Mark Kenyon and Harry Barton.</i></p> <p>The report was circulated in advance of the meeting and therefore Mark Kenyon and Harry Barton highlighted the key points from this report:</p> <ul style="list-style-type: none"> • The report sets out the areas of change that have been considered in order to develop the OPCC Risk Register. • Resources risks have seen a slight increase in risk, driven by investments and annual settlements etc. • Crime levels are returning to figures similar to those before the Government's lockdown restrictions. • Domestic Abuse cases have increased. • The Police Uplift Programme presents financial challenges for the future. • Regarding West Midlands Police, systematic and interconnected risks have been presented. • Risks around demand management have escalated • Have done 'deep dive' on risks in crime portfolio in the last quarter. • Risk register contains more information around mitigations <p>- Richard Hollands enquired if the Force have sensory knowledge of where data is being kept given the consequences of Brexit.</p> <p>Harry Barton responded that the Force are able to operate through the law enforcement directive and the Data Protection Act, which states if the Force aren't able to access information it can damage the process of investigations. Any data granted before New Year's Eve will be adhered too.</p> <p>Neil Chamberlain responded that Kate Jefferies is the lead for data security and has been involved in the planning process around Brexit. Neil advised that any specific areas of concern can be brought to the Force and then shared within the committee but nothing has been raised with him specifically.</p> <ul style="list-style-type: none"> - Cath Hannon questioned the meaning of an 'engaged status' if crime data integrity inspections are not passed. What is the likelihood of West Midlands Police falling into this category? <p>DCC Vanessa Jardine responded that an engaged status reflects an organisation moving into special measures. Similar to Greater Manchester Police, the engaged status will result in increased engagement with the Home Office around performance. Improvements are being made to prevent this, echoed through recent audits that are being carried out on a weekly basis. However, it ultimately means you come under greater scrutiny from the Home Office.</p> <ul style="list-style-type: none"> - Cath Hannon asked if the Force have a fulltime disclosure officer, and what work are they doing in order to guide the Force through the updated Attorney General guidelines? How will the work arising from these new guidelines eat into the new uplift? <p>DCC Vanessa Jardine responded that the Force Uplift Officers are running a process that members will be knowledgeable of which is a priority based budget process. The Force are focusing on how the officers and staff employed through the Uplift Programme are being implemented into the organisation. The new guidelines have resulted in an increased workload, they are not necessarily related to uplift but do impact, for example, the amount of case files being held. We are looking at how teams are supported in this. At present the Force do not have a fulltime disclosure officer, however ACC Meir is the portfolio lead for disclosure and this work is aligned to the Criminal Justice Department with that portfolio.</p> <ul style="list-style-type: none"> - Gurinder Singh Josan referred to the high to medium risks detailed in the report relating to Brexit and the trajectory is showing as increasing. Reports to the Strategic Policing and Crime Board was that a lot of work ongoing on this and they never gave the impression the risk was increasing as it appeared to be managed well.
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Harry Barton responded that this was a proximity point and the connection with the Covid situation, and therefore the likelihood of disruption was magnified ahead of the new year. A lot of work has gone into preparing ourselves for 1st January.

Neil Chamberlain added that additional work has been carried out to ensure strong relationships are being maintained with suppliers and partners. The Force have gained a better understanding of the market and how supply chains will be impacted.

- Richard Hollands questioned if police officers are classed as a priority for the Coronavirus Vaccine.

DCC Vanessa Jardine responded that the Home Office have significantly pushed for officers to have the vaccine amongst other key workers. Police Officers requiring the vaccine is recognised and supported nationally by the Home Office.

- Cath Hannon asked for a description of the Escalation Policy and how this is being used by partners (Risk number 40).

The Chair asked Lynn Joyce to follow this up with the Force and share the response with members.

- Brendan Connor raised concerns regarding the implementation of new systems and the multiplier effect of having two IT changes and the impact they have on each other. There was a list of systems planned to be turned off due to there being no requirement to keep them live. How far down the list have we got and have we turned off everything we were going to turn off or identified obstacles and solutions to turning off legacy systems?

DCC Vanessa Jardine responded the Force have successfully turned off the system that was used before Control Works was introduced. Connect will be introduced in April 2021, where a large number of systems will be switched off. There are processes in place to ensure that when those systems are switched off Connect can adequately cover what those systems did and improve the way we use our data. Any significant system implementation is not without its risks but the Force are monitoring this carefully along with benefits.

- Brendan Connor asked for assurance of whether the Force has switched off everything they thought would turn off following recent system implementations or are they left with some systems running that can't be closed down for whatever reason.

Neil Chamberlain confirmed that everything planned for switch off has been, but committed to providing a list of new systems implementations, what they were due to replace and what the current status of those legacy system is.

- Richard Hollands highlighted that members would like to have an increased awareness and assurance of the status of the current projects and how they are managed.

DCC Vanessa Jardine clarified that she chairs the Organisational Change Board, where all interdependency work is completed and managed and any changes to projects are formally signed off.

The Chair suggested to add a new agenda item for a future meeting, dedicated to the discussion following member questions on this item. The Chair will pick this up with Lynn Joyce outside of the meeting.

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Item 8 – Internal Audit Update

Presented by Lynn Joyce.

	<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"> • In the last quarter 8 audit reports were finalised, 2 of which categorised as limited assurance and 6 categorised as reasonable assurance. • 36 audits were followed up, with a 78% implementation rate. • The consequences of the pandemic have affected the implementation rates. • Management have agreed to take some low level recommendations forward themselves. • It is proposed to postpone 5 audits to the next financial year. • There are 2 limited opinion reports – the first regarding Vetting and the second Domestic Abuse Serial Perpetrators. • The last Vetting Audit was completed 2/3 years ago, and a minimal assurance opinion was given. There has been improvement in the opinion to limited largely due to the volume of aftercare vetting still outstanding, but direction of travel is positive. <p>- Cath Hannon asked Gemma Brookes if she has any insight into the safeguarding being offered to the victims and families of domestic abuse serial perpetrators.</p> <p>Gemma Brookes responded that the PPU safeguarding teams take responsibility for this. For example, when a Domestic Abuse Serial Perpetrator is due to be released from prison, the PPU will manage the safeguarding aspects for both the perpetrator and their family. If the perpetrator is categorised as high risk, a trigger plan is created which details how to manage this offender if called to an incident.</p> <p>- Cath Hannon highlighted the work of the Violence Reduction Unit and suggested this work is shared with Gemma Brookes.</p>
456	<p>Item 9 – Corporate Governance Review <i>Presented by 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"> • The report links closely to the annual governance statement brought to the committee in June. • Some minor changes to the document including complaints appeals transfer to OPCC and new legal arrangements • Issues also include the impacts of the current pandemic. • Potential changes may be introduced in relation to how PCCs operate. • The impacts of Brexit on standing orders are also included within the report. <p>- Richard Hollands questioned the references to EU and EC in the document and whether the Force still have a relationship with the EU and EC or whether this was an oversight.</p> <p>Mark Kenyon highlighted that the OPCC is involved in a scheme with Birmingham City Council, concerning European funding.</p>
457	<p>Item 10 – External Audit – External Audit Joint Findings Report (Year Ending 31st March 2020) <i>Presented by Emily Maine.</i></p> <p>The report was circulated in advance of the meeting and therefore Emily Maine highlighted the key points from this report:</p> <ul style="list-style-type: none"> • As the Force's external provider, Grant Thornton provide two key outputs: opinion and value for money conclusion. • Grant Thornton provided an unqualified opinion, which means accounts and financial statements are true and fair.

- Working remotely has heightened pressures in terms of additional quality requirements in respect of pensions, property and equipment.
 - Thanks were expressed to the Finance Team for their hard work during the current pandemic.
 - Grant Thornton provided a positive conclusion regarding the Value for Money output.
 - Financial sustainability was the only risk identified.
 - The Force and OPCC both have significant operational pressures.
 - The change to the audit code was noted so next year work on VFM will focus on governance, financial sustainability and economy, efficiency and effectiveness.
 - Due to COVID-19, recommendations have been slightly delayed.
 - Fee reports have been shared in order to represent transparency.
- Brendan Connor asked if West Midlands Police and the OPCC are under a similar degree of pressure given compared with other Forces, and if the Force is reflective of policing in general.

Emily Mayne responded that this is a difficult to compare. There is an element of scale within this, for example it is better to be a larger organisation with a one year settlement oppose to a smaller organisation, as economies of scale can be taken advantage of. There is still time for the medium-term financial plan to be worked on in order to secure financial positon.

Neil Chamberlain added that he has aimed to build a strong medium financial plan, against the difficulties of short term challenges. Advice is being taken from Grant Thornton in order to maximise the Force's potential and therefore deliver a positive and effective service to the general public.

The Chair reiterated thanks to the Finance Team for the quality of their continued hard work.

458	<p>Item 11 – External Audit – Annual Audit Letter <i>Presented by Alex Walling.</i></p> <p>The report was circulated in advance of the meeting and therefore Alex Walling highlighted the key points from this report:</p> <ul style="list-style-type: none"> • Nationally, the deadline was transferred to the 30 November. Only 45% of audits were delivered by that point and many organisations are still battling with 2019 to 2020 financial year. • The Team have asked for an additional audit fee because of demands of regulator, changes required on external auditors, and additional costs as a result of Covid. • Working remotely has proved to be more problematic, with increased costs and expenditure. <p>- The Chair asked for clarity regarding the information presented in respect of the pension liability and the McCloud judgement which has resulted in a reduction in liability of £93m.</p> <p>Emily Mayne responded that discussions were held with the finance team around the potential movement that could occur from the date the actuary report is provided and the end of the financial year. In a normal year, when the markets are reasonably stable, the Team could forecast accounts. However due to the volatility of markets this year, the Force went back to the actuary who reported back with a reduction. It is not clear if this is solely based on the McCloud issue.</p>
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459	<p>Item 12 – JAC Work Programme (For Information)</p> <p>Jonathan Jardine assured members that the OPCC is thinking hard about what would happen should the Police and Crime Commissioner elections be postponed. There is no definitive answer on this yet.</p> <p>Conclusion of the public session.</p> <p>Date of the next meeting: 25 March 2021 at 9:30am.</p>
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