

**JOINT AUDIT COMMITTEE (JAC)
Public Minutes**

Notes of the meeting held on 05 December 2024 at 13:30

Attendees:

Sue Davis	Chair
Faye Lloyd	Committee Member
Jon Darling	Committee Member
Jane Heppel	Chief Finance Office, PCC
Lynn Joyce	Head of Internal Audit - PCC
Jonathan Jardine	Chief Executive - PCC
Laurelin Griffiths	Grant Thornton
Pete Gillett	Director of Commercial Services – WMP
Sue Dehal	Head of Financial Accounting and Tax – WMP
Melissa Horton	Senior Assurance and Risk Manager – WMP
Claire Bell	Acting Deputy Chief Constable - WMP
Fiona Pook	Deputy Head of Corporate Development - WMP

Plus, two prospective members and one notetaker

664	<p>Item 1 - Apologies</p> <p>Apologies were noted for</p> <ul style="list-style-type: none"> • Deputy Chief Constable Scott Green • Fiona Fletcher <p>The Chair welcomed the two new members of the Committee, Paul Donnelly and Rachel Barber, who attended the meeting in an observing capacity.</p>
665	<p>Item 2 – Declarations of Interest</p> <p>There were no declarations of interest raised.</p>
666	<p>Item 3 – Minutes from Previous Meeting</p> <p>The minutes of the previous meeting held on 4 September 2024 were agreed as an accurate record of proceedings.</p>
667	<p>Item 4 – Matters Arising (Not on Agenda)</p> <p>There are no matters arising.</p>

Item 5 – Risk Management Update, including Force Risk Register and OPCC Risk Register

Force Risk Register presented by Melissa Horton

- Since the last meeting there has been a session held with new members to discuss risk process and procedures within the Force.
- Confirmation was given that all items on the risk register are aligned and reviewed to the Force risk appetite statements. Through doing this exercise, it has been identified that there are some minor amendments needed to the risk appetite statements which will be presented to the Deputy Chief Constable ahead of the next Committee meeting.
- In terms of the risk maturity exercise, held in conjunction with a risk culture survey:
 - All recommendations previously raised have not regressed. Progress has been made, although in some areas they haven't progressed at the same rate. There is an action plan in place to work on these.
 - Mistreatment and mitigation are sitting in a defined space, the control measures put in place are working effectively.
 - A new Risk Manager has been appointed and will be commencing in their role on 16th December, this will allow the assurance piece to move forward.
 - The Force have evaluated themselves to still be 'Risk Defined' on the risk maturity scale, although progress has been made there is still a journey to go on.
- A Risk Culture Survey was conducted in September to gather feedback in the risk management space. Low numbers of responses were received, although the responses received were validated with other risk activities to understand whether the feedback was a true reflection.
- Generally, the findings suggest low confidence in raising risks and staff do not feel empowered enough to enter risks onto the form.
- It also suggested that the majority of respondents hadn't attended any risk training and that ranks lower than SLT had no or little knowledge of risk management, the risk register or the risk team.
- As a consequence, a review of the processes and procedures, the training and support packages offered is taking place.
- A further risk maturity assessment will be undertaken late 2025 to assess improvements.
- No project risks have come to closure in the last reporting period.
- There are no changes from the previous Corporate Risk report.
- There are 2 open risks in the corporate risk register, as well as 3 open sensitive risks.
- The Chair raised concern regarding the level of information around sensitive risks being reported as currently the detail is not sufficient for the Committee to gain assurance that these risks are being properly identified and mitigated. To offer assurances to those charged with governance, the Committee needs to see what is happening.

Action: Pete Gillett agreed to arrange a briefing for the Chair and members, whether at a closed session at the next meeting or in a separate session, around sensitive risks. It was also agreed to re-run the risk training session for new members once they had been fully onboarded.

- Faye Lloyd noted that progress against the risks can be seen, as well as the direction of travel, and asked what can be done to improve the uptake in responses to the risk culture survey next time? Would a smaller question set help?

Melissa Horton confirmed that the survey went out to the entire Force. Some did say that they were discouraged to complete it due to the number of questions. The survey should only take 10 minutes to complete, though this can be revised in future. As this was the first survey, the Force went quite broad with the question set.

- The Chair asked for an update on the risk relating to the recent opening of the Midland Metropolitan Hospital and the demand increase highlighted, as the move had been planned for a long time.

Acting DCC Bell confirmed that as the region is separated into Local Policing Areas, those that go to the hospital are mainly Birmingham based but the risk is really about the unknown of how would contact centres deal with the logs when they came in from the hospital. Internally, this is about the Force's ability to respond quickly and how to manage taking the resource from Sandwell. Strategically, this should be easy, but in reality, it may not play out quickly enough. This is an example of operational officers trying to embrace the risk approach and the Force are comfortable that local Commanders are working together at a local level.

- Jon Darling asked about the impact of the CITRIX risk and whether it is taking more time to resolve than desired and whether the Force is comfortable on how to get to a resolution.

Melissa Horton explained that this was felt to be a possible risk so was raised and pitched 'high' as the impact was unknown due to the level of data behind it. There has been monitoring of connectivity issues to see how realised and impactful the issue is and how often it occurs. So far, it has only been reported once since June, so the scoring of this risk is being reviewed. In terms of a longer-term fix, the Force are reliant on a national solution. The Head of IT and infrastructure has confirmed that work is under way.

- Jon Darling also raised a point about the Solicitors and resourcing risk and asked how comfortable the Force is with this and whether it is becoming a real issue that has an impact on delivery and objectives?

Melissa Horton advised that there is no impact that is detrimental to the Force at this time, it is one that will have to be monitored. It is understood that attempts have been made to look at outsourcing and the cost implications, if required. An update is awaited on whether any activity is needed.

Pete Gillett added that there have been discussions with Legal Services recently. Approval has been given from a recruitment space to spend more on the process to get the right people in and also shorter-term space filling. Ideally the Force would want to recruit full time, a more creative recruitment process may be required.

Jane Heppel presented the OPCC risk register:

- The report shows the latest quarterly update following reviews carried out by the Management team. All risks are assigned to SMT leads.
- The risks reduced are down to planned management action, which has reduced the likelihood of the risk happening.
- Since the last meeting, the PCC has elected to take a new approach to engagement led by Deputy Chief Executive. Each SMT member is aligned to a Local Policing Area, to make sure there is engagement with Community Safety Partnerships and Local Policing Areas. The PCC and Mayor are working closely on road safety and looking at the governance boards on such issues.

	<ul style="list-style-type: none"> - The Chair asked Jonathan Jardine for an update on the progress of drawing up the new Police & Crime Plan. <p>Jonathan Jardine clarified that the Plan has to be completed by March 21st. It is currently being redrafted chapter by chapter by the PCC. The language and metrics used are being discussed internally and externally. It shows an evolution of where the previous plan was, the structure and style are different. There is less content on the face of plan, with more references to other existing programmes and plans. National developments are being watched to ensure nothing is missed from the Government white paper. The outcome of the consultation phase showed more than 5k responses which evidenced a sufficiently broad representation of the West Midlands and their priorities.</p>
669	<p>Item 6 – HMICFRS Update</p> <p><i>Presented by Fiona Pook</i></p> <ul style="list-style-type: none"> • At the last meeting it was reported that written notification had been received advising that 3 causes of concern had been closed by HMICFRS, since the last meeting further notification received confirmed that 3 of the 5 recommendations have been closed around the investigation work. 2 recommendations remain, the work of Op Vanguard is addressing these. • 4 reports have been published and links are available in the report. All recommendations have a lead assigned and are being progressed with oversight of the Deputy Chief Constable. • There is an upcoming inspection to make the Committee aware of in relation to Youth Out of Court Disposals. The Force are one of six involved. This will take place in March; the Force are working hard to be ready. <ul style="list-style-type: none"> - Jon Darling asked, with a number of inspections and reviews going on, how difficult is it managing the resource that it takes to support all of these, and how challenging is that process? <p>Fiona Pook responded that the team were lucky that through the restructure of Corporate Development department there was a recognition that admin and supporting activity was required for this process. There is a lot of communication with HMICFRS to ensure that all of their points are being met, as the preparation for inspections is time consuming. The process is difficult but highly beneficial to obtain outcomes for the public.</p> <p>Jonathan Jardine added that there is an intent from Government to legislate to give HMICFRS more powers in the Force.</p>
670	<p>Item 7 – Treasury Management half year report</p> <p><i>Presented by Sue Dehal</i></p> <ul style="list-style-type: none"> • CPI inflation in the UK is 1.7% in the five months to September, just down from 2.2% in August. The Bank of England is concerned that inflation could rise again this year to around 2.5% before coming back down next year and the bank is wary of cutting rates too quickly before inflation is under control. • In regard to the current investments, we had £197.3 million that was invested in instant access funds to the current account and many market funds and other investments and property fund. • Up to the 30th September, there's £40 million invested in money market funds and they are carrying an average rate of return of 4.97%.

	<ul style="list-style-type: none"> • Actual investment returns in terms of interest received up to the 30th September, we had £2.4 million interest received on investments with banks, building societies and local authorities. £4.4 million was made from market funds. • The NatWest current account also received a good level of interest from 8th September of £195,000, which was an average rate of 1.26%. • There are no breaches to the Treasury Management statement to report. • It is statutory duty for the PCC to determine and keep under review the affordable borrowing limits and the prudential indicators were not breached during the first six months of the financial year. • With regards to PWLB borrowing, a loan of £2.2 million matured at the end of October, bringing the current balance now to £82.3 million. <p>Action: Faye Lloyd asked if a copy of the Treasury Management Policy could be shared, Sue Dehal agreed to share a copy post-meeting. (This was shared at the conclusion of the meeting)</p> <ul style="list-style-type: none"> - The Chair noted that the amount that sits with CCLA seems to have been the same forever and asked whether it is ever reviewed? <p>Sue Dehal advised that this is a long-term investment which has been reviewed and it is not something the Force would wish to put any more into it. It does not make sense to take any money out of it at this time as there is a desire to make money from it.</p>
671	<p>Item 8 – Anti-Fraud Bribery and Corruption Annual Effectiveness Review</p> <p><i>Presented by Sam Ridding</i></p> <ul style="list-style-type: none"> • Over the last 12 months there were 28 matters reported which relate to business interest and financial corruption, this is in line with previous years and is very stable as a figure. There are no patterns or themes of concern. • As an organisation, and from a professional standards point of view, the Force continue to raise awareness of all matters relating to standards of professional behaviour. • The Prevention and Intervention team recently presented at the Professional Standards conference. • Regular training takes place to understand PSD and what needs to be done. Such as reporting changes to business interests. • The annual Integrity Health Check has been carried out again for the third time. There were good compliance figures. • Following an incident relating to uniform, there is a lot of work taking place with Corporate Asset Management to make sure that all processes are tightened up to ensure that any of the incidents investigated are not repeated. • It is worth noting that there are a lot of allegations that don't come to anything, the overtime allegations are anonymous, and may be based on misinformation or misunderstandings. - Jon Darling commended the good work being done and noted the importance of whistleblowing. The numbers are remaining low year on year. Is there any sense of how the numbers compares to other forces? <p>Sam Ridding confirmed that this information is not known, but as a department there are over 2000 conduct matters investigated, a very small proportion relate to this report. Sam Ridding will attempt to find out and report back.</p>

	<ul style="list-style-type: none"> - The Chair referred to a recent case reported in the press where a former officer improperly accessed information they were not entitled to and passed this on. Internal Audit reports in the past have raised worries about access to information and people moving on who shouldn't have access. Are you able to advise how this would have come to light? Was it a system that flagged it or did someone make a complaint? <p>Sam Ridding explained that the misuse of systems is the biggest thing the department deal with. A lot of work is done with new starters to emphasise the importance of information management. The Deputy Chief Constable is leading on information management and there are refreshers in place to make sure that all staff understand the importance. There is a very robust audit system on Force systems, such as Connect. It has been developed in house by the IT team and enables the Team to use intelligence to prove and disprove any allegations raised.</p> <ul style="list-style-type: none"> - Faye Lloyd asked for more information relating to the Integrity Team that is in place. <p>Sam Ridding clarified that the team is part of the Vetting Prevention and Intervention portfolio. It is led by a Chief Inspector, a Sergeant and 4 officers or police staff. The work is managed via the Superintendent in Professional Standards. There are service confidence reviews undertaken each month around concerns of the integrity of staff and officers. The most obvious issue raised is financial, and work is done to help support that individual where possible.</p> <ul style="list-style-type: none"> - Faye Lloyd also asked about items raised previously in audits such as overtime payments, control environments and payroll, and queried whether the recommendations are being implemented and whether they are able to see the number of overtime related incidents reduce. <p>Lynn Joyce explained that the Force has moved to an online overtime App and it is now possible for payroll to confirm that the claim is being approved by someone of a higher rank. It is hoped that there will be a reduction moving forward as the App is improved.</p>
672	<p>Item 9 – Internal Audit Activity Update Report</p> <p><i>Presented by Lynn Joyce</i></p> <ul style="list-style-type: none"> • In terms of audit recommendations there has been an increase this month in terms of the percentage implemented from 74% to 81% compared with the previous report. • Implementation of medium and high recommendations has also increased from 69-74%. • There are still a number of longstanding overdue recommendations. Lynn Joyce has recently been invited to join the Financial Governance Board Chaired by Peter Gillett where these will be reported. • A full audit of uniform taking place at the moment to follow up on the outstanding audits in this area. • In relation to the new CIPFA standards, these will be finalised soon, A self-assessment is underway and we're not looking too bad against the requirements as it stands, this is possibly as a result of complying with the 2017 standards. More may have to be done on the Strategy and Charter to be future focussed. • Lynn will discuss with the Chair around engagement with the Members in the new year around some of the requirements and terminology. • There won't be full compliance from the effective date of April 1st, but the self-assessment and supporting action plan will be reported to the March meeting.

- CIPFA have also issued a new Code of Practice for the Governance of Internal Audit. A self-assessment will be completed on this and an update provided at March's meeting.
- There are some changes to the audit plan proposed which have been discussed with the Chair. This is due to a shortfall in resource. A pool of time was included to support the Force on HMICFRS causes of concern. It wasn't anticipated that the Force would be coming out of engage so quickly, so following discussions with management a proposal was submitted to postpone this to 2025/26 and focus on sustainability of improvements. Senior management are supportive of this.
- Faye Lloyd asked that given the current position of 50% completion of the plan, is there a danger of not being able to deliver the plan in full?

Lynn Joyce confirmed she is hopefully the team will be on track to deliver the plan. There is not always a cut off of 31st March and some audits will roll slightly into next year. The team are in a better position at this point than last year, although it was noted that last year was an extraordinary year.

Lynn Joyce presented the findings of three audits that received a limited or minimal assurance opinion:

- Threats to life was given limited assurance
 - Following guidance from the National Police Chief's Council, the Force have adopted a new Hydra course which Senior Officers are expected to complete.
 - The Force weren't clear on how lower ranks involved in the process would be trained on the proposed changes, and have agreed to update and relaunch existing training videos.
 - A new Threats to Life Policy book will also be rolled out next year, which should be completed when a threat to life is involved.
 - All threats to life are taken to a daily threat risk management meeting where they are discussed individually and escalation processes have now been established.
- Jon Darling noted that at the time of the audit the Force had not adopted the revised guidelines and no plans had been established in relation to the proposed implementation. Is it now the case that it will be implemented, and they are just awaiting the guidance?

Lynn Joyce confirmed that this is the case and that the national guidance will be implemented fully with no local interpretation.

- Subject Access Requests
 - Some of the processes in place were hindering the team, for example there was only one person monitoring the inbox and if this person was on leave it was not monitored.
 - Staff were self-selecting cases. There was also an issue around performance monitoring noted. The number of SARs received need to be reported to the National Police Chief's Council, and due to the timing of reporting and the records awaiting input into the system, the number of SARs reported were incorrect.
 - Two secondees moved into team with no induction process.
 - The system used for recording and tracking SAR's is shared with two other teams, so there is an issue about system access, this is due considered when the system is upgraded.
- The WMP Museum
 - The Museum received minimal assurance. The site has tills and collects income, and also operates a separate bank account to receipt income from sales.

	<ul style="list-style-type: none"> ○ The audit largely focussed on financial controls and whilst income collected onsite are low volumes, there is a risk of potential fraud. ○ Lottery funding has ended now and the Museum was not self-sustainable last year and required support from the Force. The recommendations have agreed and are being monitored by the Heritage Delivery Board. ○ There are also safeguarding concerns too, vetting and training records aren't kept up to date. Since the audit, there has been a full review of vetting and training for all volunteers. If volunteers don't take part in the training they will stood down and unable to volunteer until training and vetting is complete. <p>- Faye Lloyd asked for a bit more information relating to the Museum and the financial position.</p> <p>Pete Gillet explained that from a governance perspective, this sits under ACC Welsted, reporting through Corporate Comms as it is a good public engagement tool and a great vehicle for schools to visit and spend time at the facility. It has huge potential to add value. Pete Gillett was given the opportunity to seek out other police museums and identify best practice, this is in progress and a working group is being set up. In Devon and Cornwall, financial stability sits under the PCCs responsibility. The Deputy Chief Constable chairs the heritage board and Finance is at the centre of that board. The Museum hasn't been covering its costs fully, and there is a need to ensure efforts continue and they obtain full financial stability. This is something that will be kept under review.</p> <p>- Jon Darling asked, following the conversation and the issues raised around weak financial controls, are we sure there is no fraud risk around the Museum?</p> <p>Lynn Joyce confirmed that there is a risk, and this is why the issues had to be pointed out. The problem is, where there are weaknesses in record keeping it is difficult to know if anything has been taken.</p>
673	<p>Item 10 – Corporate Governance Review / Joint Scheme of Governance</p> <p><i>Presented by Jane Heppel</i></p> <ul style="list-style-type: none"> • The Statement will be shared with Members. It is a joint statement between two organisations (The Joint Statement was shared at the conclusion of the meeting). • The PCC and Chief Constable, through statute and legislation, have responsibilities and this scheme says who amongst the management teams will fulfil the statutory duties on behalf of the organisations. There are no changes proposed. • The two main appendices are standard documents in the public sector. The implementation of the Procurement Act is why this is being looked at more closely at this time. • There is secondary legislation coming into being on 24th February with the hope to have implemented by April 1st. • There may be exemptions from signing some orders, such as software which is embedded within an organisation. • There is a piece of work being completed to review Contract Standing Orders which will be bought back to the Committee. Members may be contacted offline for their comments to be fed in. • One of the things looking to be changed is the tender and formal process coming in at a low level. There is a desire to get the focus of working on higher value tenders rather than publishing everything. • Once the final draft is ready it will be shared with the Committee. • There will be separate briefings for the PCC and CC to update them.

674	<p>Item 11 – Statement of Accounts - Annual Governance Statements</p> <p><i>Presented by Jane Heppel</i></p> <ul style="list-style-type: none"> • The 23/24 accounts are close to signature. The AGS is being brought back to the Committee to make sure that they are confident it is representative of the governance that the organisation has in place. • There are a few changes, which are largely to do with the Force being in Engage. As further work was carried out by HMICFRS, regard to this needed to be given. • As the Engage status has now been removed, due to the great work of the Force, HMICFRS are happy with the evidence provided and the direction of travel, this has been remitted to be an economy efficiency and effectiveness issue rather than a governance issue. • There was a realisation that the terms of the AGS Standards which was to have a commitment and a conclusion statement included, this has been added. <p>- Jon Darling noted that there is no statement mentioning independence and objectivity and wondered whether it may be worth adding in.</p> <p>Jane Heppel agreed that this is sensible to add in and the Office would be happy to take best practice from other examples.</p>
675	<p>Item 12 – External Audit Joint Audit Findings Report</p> <p><i>Presented by Laurelin Griffiths</i></p> <ul style="list-style-type: none"> • In terms of the identified significant risks, work has completed around the risk of management control failure. There are still some matters around the risk profile of the systems and the access rights within the system. This does mean that more testing is required in this area than ordinarily needed in other places, but this testing hasn't identified any issues. • The second significant risk is the valuation of PCC land and buildings, as a very large estimate within the financial statements was identified. The largest of which is an error which was effectively entirely within the value of workings. • The third significant risk is the valuation of the pension fund net liability, again because of the very big estimate in the financial statements. • Grant Thornton are still in the process of quality reviewing the audit files so there may be some queries following this. • With regards to Value for Money, the report was shared with management last week and comments have been received. There are no significant new findings, though the report does still contain a significant weakness in the key recommendations. • Although almost in a position to issue opinions, the opinions will not include the certificate closing the audits because the National Audit Office have changed the way they are conducting the government accounts process which means that they reserve the right to come back with detailed questions at a later date. This means the accounts can't be closed until this has been finished. <p>- Jon Darling asked for clarity on finance controls and Fusion, and whether the issues arise due to how they are set up or how they operate as a system.</p> <p>Laurelin Griffiths confirmed that access issues are around concerns with larger corporate organisations which could be easily addressed. Sometimes these things are unavoidable. The issues are on managements radar and are being looked at. Additional testing makes sense. This is likely to keep appearing in reports, it can be looked at how it is presented in reports, but technically it is quite a significant issue.</p>

	<ul style="list-style-type: none"> - Faye Lloyd asked if there was any update on the redundancy position and how it is being managed? <p>Pete Gillett advised that the Force are trying to be prudent in terms of the understanding of the potential redundancy requirements for potential major restructures. Thankfully there was not the expenditure planned for. This is more likely to be £4 million now. This will be updated and shared.</p>
676	<p>Item 13 – JAC Work Programme</p> <p><i>Presented by Sue Davis</i></p> <ul style="list-style-type: none"> • This item is just for noting, there are no changes noted.
	<p>Date of the next meeting:</p> <p>Thursday 27th March 2025</p> <p>The Chair wished everyone a Happy Christmas & New Year and closed the meeting.</p>