



Philip Seccombe
Police and Crime
Commissioner
for Warwickshire

Warwickshire Joint Audit and Standards Committee Meeting

MINUTES

Date:	Wednesday 21 st October 2020
Time:	14:00
Location:	Conference Room, Leek Wootton
Chair:	John Anderson
Vice Chair:	Gavin McArthur
Minute Taker:	Nargis Begum

Due to current COVID-19 situation this meeting was a mix of limited attendance plus dial-in

Attendees

Audit Committee Members

Name:	Capacity:	Dial In
John Anderson	Chair	X
David Carter	Member	X
Alistair Murdie	Member	X
Gavin McArthur	Vice Chair	X

Offices of the Police and Crime Commissioner

Name:	Capacity:	
Philip Seccombe (PS)	Police & Crime Commissioner	
Neil Hewison (NH)	Chief Executive, OPCC	X
Debbie Mullis (DM)	Development Lead for Standards & Integrity, OPCC	X
Sara Ansell (SA)	Treasurer, OPCC	

Force

Name:	Capacity:	
Richard Moore (RM)	Deputy Chief Constable	
Jeff Carruthers (JC)	Chief Finance Officer	
Wendy Knox (WK)	Head of Accounting & Financial Control	

Steve Russell (SR) Andy Shipman	Head of AS & I Force Crime and Incident Registrar	
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Internal Audit

Name:	Capacity:	Dial In
Paul Clarke (PC)	Head of Audit, Warwickshire	X

External Audit

Name:	Capacity:	
Alex Walling (AW)	Grant Thornton	X

Public Attendees

Dave Reilly	Chair of Police and Crime Panel	X
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	Name:	Capacity:
Apologies:	Martin Jelley (MJ)	CC Warwickshire Police
	Helen Knee	Committee Member

Discharged Meeting Actions - 28 July 2020

Minute No/Agenda No	Actions	Status/ Timetable	Action owner
	2018/19 External Audit Findings Report, including the draft opinion – summary by Grant Thornton (GT)		
05/28/07/2020	Report on safeguards for future partnerships (including monitoring arrangements, dispute resolution procedures, exit provisions and contingency plans) to cover all critical partnerships, the proposed arrangements with West Midlands Police, the transition from West Mercia and commercial partnerships, e.g. ICT contracts.	Discharged	RM
	Provide effective and sufficient written reports to JASC in future and a briefing on their relationship with the JASC.	Discharged But see further action below	Grant Thornton
	Provide JASC with public statement on VFM opinion.	Discharged	SA
	Advise GT of JASC conclusion on their VFM opinion.	Discharged	SA
	2019/20 Internal Audit Annual Report		

09/28/07/2020	Action Plan Update to be provided at next meeting	Discharged	
	2019/20 Draft Chief Constable Annual Governance Statement		
10/28/07/2020	Agenda item to be carried forward to next meeting	Discharged	
	2019/20 Draft PCC Annual Governance Statement		
11/28/07/2020	PCC holding to account meetings to be added to AGS (pg20)	Discharged	SA

Items for Discussion

No	Item	Actions
01/21/10/2020	Welcome and Apologies	
02/21/10/2020	<p style="text-align: center;">Committee Members' Declaration of Personal Prejudicial Interests.</p> <p>There were no declarations of personal prejudicial interests.</p>	
03/21/10/2020	<p style="text-align: center;">Minutes of the open meeting of July 2020</p> <p>Minutes of the open meeting dated 28 July 2020 were agreed as a true and accurate record. The JASC Chair read for the record the minute of Committee's conclusion on the GT 2018/19 audit progress that the information flow from GT to the JASC has been neither effective nor sufficient and it expects this to improve going forward. Based on the contents of their audit report the qualified Value for Money Opinion is harsh.</p>	<p><i>JA to brief GT on the JASC concerns GT to brief the JASC on their relationship with the JASC</i></p>
04/21/10/2020	<p>2019/20 Draft External Audit Findings Report (Paper)</p> <p>A comprehensive verbal update was given by GT on the draft Findings Report.</p> <p>It was confirmed that work is being prioritised on the audit and being completed as quickly as possible. Any significant changes to the Statement of Accounts will be shared with the Joint Audit and Standards Committee (JASC) prior to formal sign off by the Chief Constable, PCC and their respective staff.</p> <p>Both SA, the OPCC Treasurer, and JC, the Force Chief Finance Officer, have reviewed the report and have commented accordingly. The comments to improve the accounts and audit process for future years have been taken on board, but it is also recognised that the 2019/20</p>	

accounts were produced under a number of unprecedented circumstances which include, the transition to a standalone force, 2018/19 accounts issues and Covid19 restrictions.

OPCC/Force finance teams continue to work closely with GT. All works from August 2020 have been completed remotely. A meeting has been arranged this month for a physical meeting. This will allow GT to be provided with any further assurances/details needed to complete the process.

An update was given by WK, the Force's Head of Accounting & Financial Control, to confirm that the actions have now been completed. Journals and walk through testing will be completed at the physical meeting with GT. Documents requested have now all be sent through. It is anticipated that all questions will be answered by the end of the week as all parties continue to work towards the end of November to finalise accounts.

GT thanked the finance teams for their continued support in preparation of the accounts.

The external audit findings report for 2019/20 and the draft opinion were noted by JASC.

The PCC asked GT to explain what had not been done correctly relating to property valuations. GT explained that this was not a qualification of their opinion and nothing had been done incorrectly. Because of the uncertainty over the reliability of property valuations caused by the Covid 19 situation an explanatory "Emphasis of Matter" note was being included in the Statutory Accounts. A similar statement was going into all public sector statutory accounts.

Points raised by JASC:-

Page 13 – *Significant findings – Key Judgements and Estimate.*

Inconsistent figures in the net pension liability, the narrative relates to £500k decrease, the headline change shows £4.1m increase. GT to check this.

Page 19 – *Key Findings*

JASC noted the reference by GT in their 2018/19 audit report to the HMICFRS PEEL findings report, concerning "Efficiency", and an inadequate rating for planning for the future. This had not previously been included in the GT VFM opinion and requested an update on progress in satisfying the HMICFRS cause of concern.

**SR -
HMICFRS
investigation
update to be
provided at
January**

	<p>SR confirmed the recommendations raised have been addressed. A further inspection is due to take place in 2 weeks and an update will be provided at the January 2021 meeting.</p> <p>The PCC noted the vast amount of work done this year by the finance teams who have worked around the clock through extremely difficult circumstances to get all the work ready for the audit in an efficient and timely manner.</p> <p>JASC endorsed the comments of the PCC and the work gone into the audit by both the external auditors and finance teams and thanked everyone involved for this.</p> <p>Action: JASC Chair to see the final draft when complete and raise any additional comments with members before signing off. OPCC Treasurer to co-ordinate.</p> <p>JASC noted that work is ongoing on the audit of the 2019/20 Statement of Accounts and this has not been fully completed.</p>	<p>meeting</p> <p>SA - Chair to see final draft Accounts before signing off.</p>
05/21/10/2020	<p align="center">2019/20 Draft Letters of Representation (PCC and CC)</p> <p>JASC noted the auditor's Letters of Representation. If there are any significant changes to the draft letters on completion of the audit these will be shared with the JASC.</p>	<p align="center">SA to co-ordinate with Chair as above.</p>
06/21/10/2020	<p align="center">2019/20 Audited Statement of Accounts (PCC and CC)</p> <p>JASC attended a detailed session to discuss the 2019/20 Statement of Accounts prior to this meeting. Minor amendments noted by members will be addressed.</p> <p>The force Annual Governance Statement 2019/20 was also noted by JASC. The PCC Annual Governance statement 2019/20 was considered at the July 2020 meeting.</p> <p>JASC thanked the finance team for the useful pre-meeting briefing, question and discussion session.</p>	
07/21/10/2020	<p align="center">2019/20 External Audit Report Update (Paper)</p> <p>A comprehensive verbal update was given by GT on the audit report which provides an update to the JASC on the progress they have made by October 2020 on their work in meeting their audit responsibilities in respect of the 2019/20 financial year.</p>	

	<p>JASC were assured that the Auditors and Finance teams continue to meet virtually to have ongoing discussions on the External Audit Report.</p> <p>Page 19 of the Audit Report detailed the recommendations from:</p> <p>The Redmond Review which includes:</p> <ul style="list-style-type: none"> • A new regulator to replace the Financial Report Council and Public Sector Auditor Appointments. • Extending the deadline for publishing audited accounts to 30 September from 31 July each year. • Scope to revise fees. <p>The National Audit Office (NAO) on 1 April 2020 introduced a new Code of Audit Practice and revised approach to Value for Money audit work which comes onto effect from audit year 2020/21. Reporting will look different and take the form of a new “Auditor’s Annual Report” which brings together the results of all the auditor’s work across the year.</p> <p>DCC Moore questioned whether the change of approach to Value for Money audit work will take into account operational effectiveness. GT confirmed that this will be clearer once the guidance is published but acknowledged that it would be something to work together on going forward.</p> <p>DCC Moore also questioned how this new approach will fit in with the HMICFRS Inspection process. Again, GT confirmed once the guidance is published this can be addressed.</p> <p>JASC noted the points raised and it was confirmed that members would be updated on the guidance and Value for Money arrangements at future meetings.</p>	<p>GT to brief JASC at future meetings as new audit guidance is issued</p> <p>RM to brief JASC on new VFM arrangements and how these will fit with the HMICFRS inspection requirements</p>
08/21/10/2020	<p style="text-align: center;">2019/20 Treasury Management Outturn Report</p> <p>A verbal briefing was given by SA, the OPCC Treasurer.</p> <p>JASC noted the 2019/20 Report with the following points highlighted:-</p> <ul style="list-style-type: none"> • The PCC did not take out any new borrowing in 2019/20. • At 31 March 2019, the PCC for Warwickshire had £13.7m of cash investments and this has decreased to £4m by 31 March 2020, due to holding more cash during the COVID19 pandemic. 	

	<p>JASC noted it would be useful to see in the report how the cash investments and cash positions in the Treasury Management Outturn Report related to the equivalent figures in the Statutory Accounts.</p> <p>WK undertook to prepare a table for the report showing how the figures appeared in both documents.</p> <p>JASC noted that against the uncertainty of the Coronavirus pandemic, Warwickshire has achieved sound returns from its treasury management activity and has operated within the terms of its approved Treasury Management strategy for 2019/20.</p>	<p>WK to prepare a table showing the two sets of figures</p>
<p>10/21/10/2020</p>	<p>ASI Assurance and Action Plan – Progress Report update given by the Head of Analysis and Service Improvement</p> <p>Since the last meeting the following audits have been conducted:</p> <ul style="list-style-type: none"> • Cancelled Crime. • Investigations. <p>It was confirmed to JASC that both audits have been agreed with a management response being prepared by the Warwickshire Assurance Board, chaired by Warwickshire DCC. Recommendations are tracked and followed up in detail by the panel ensuring a robust process.</p> <p>Planned future audits:</p> <ul style="list-style-type: none"> • Recording of Reported Incidents of Violence • Out of Court Disposals <p>JASC noted the completed audits and findings together with the planned future audits</p>	
<p>11/21/10/2020</p>	<p>HMICFRS Action Plan Update Report update given by the Head of Analysis and Service Improvement</p> <p>Points noted by JASC:</p> <ul style="list-style-type: none"> • HMICFRS have now confirmed that they will re-attend the force between 16-19th November 2020 to re-inspect the areas which were a cause for concern at the last inspection • The Force have undertaken an Assurance Panel led by DCC Moore and attended by the Chief Officer team and senior leads from across the force in preparation for the re-visit. Good progress has been 	


	<p>made since the last inspection with changes embedded on an ongoing basis.</p> <ul style="list-style-type: none"> • HMICFRS have sent information in relation to the PEEL 2021/22 inspection programme. This programme will resume in early 2021 and will start with three pilot forces that have already been identified and notified. Warwickshire are not one of these first three forces. 	
12/21/10/2020	<p>Joint Audit and Standards Committee work plan (paper) – paper noted by Members</p> <p>The work plan will be updated regularly and included for consideration at each JASC meeting.</p> <p>Members requested a Covid briefing be added as a standing item for the foreseeable future and Ethics Committee reporting would be required at future meetings.</p> <p>It was also noted that due to Covid19, timings of reports may be subject to change.</p> <p>JASC to prepare for consideration an Annual Report within the work plan.</p>	<p>JA to prepare draft for consideration at January 2021 meeting</p>
13/21/10/2020	<p>Members Points</p> <p>Observations from attending Warwickshire Police and Crime Panel 24 September 2020</p> <p>Vice Chair of JASC attended the last Police Crime Panel (PCP) meeting and noted the following recommendations for the PCP:</p> <ul style="list-style-type: none"> • The PCC should consider the nature of questions raised by the PCP and identify matters that could be included in his framework for holding the CC to account. • To further the JASC's understanding of the governance framework operating between the CC, PCC and PCP, the JASC could seek to gain an assurance on how well the PCC's reports to the PCP cover the objectives of the Police and Crime Plan. • The JASC is recommended to seek to gain an understanding from the PCC and CC on how appointments of their staff to other organisations are managed, monitored and recorded. 	

	<p>The PCC confirmed that appointments are nationally directed and form part of the role.</p> <p>It was agreed by both Chairs that Members would attend future meetings and take issues raised forward.</p>	
14./21/10/2020	<p style="text-align: center;">AOB</p> <p>The PCC updated JASC as follows:-</p> <ul style="list-style-type: none"> • Home Office is carrying out a national review on the roles of PCCs. Once complete some powers may be changed or enhanced • 2021/22 budget process has started. Chancellor has announced that we will receive a 1 year settlement. Force has commenced a savings drive which will be reported on once finalised. • There is nationally a large backlog in jury trials. There are currently two Crown Courts opened in Warwickshire. • OPCC Chief Executive will be leaving at the end of January 2021 with the newly appointed Chief Executive, Polly Reed, starting on the 1 January 2021 to ensure a handover. <p>JASC raised the following points :-</p> <ul style="list-style-type: none"> • Whether the PCC Elections will still be taking place in 2021? It was confirmed that this will be dependent on pandemic but to date we have not received any notification that they will not go ahead as planned. • Is there a Gifts and Hospitality governance process in place? It was confirmed that there is a duty on all elected politicians to publish and update any gifts and hospitality. The PCC and staff details are published on the OPCC website and submitted for auditing purposes annually. The Force has a similar process in practice for returns of the senior leadership team. Gifts and Hospitality information have to be made available under any Freedom of Information request. 	<p>Monitoring Officers to prepare brief annual assurance report on compliance with Gifts and Hospitality reporting</p>
	<p>Next Meeting : Wednesday 13th January 2021 - 2pm at Leek Wootton</p> <p>Meeting dates for 2020/21:</p> <p>Wednesday 17th March 2021 – 2pm – 4pm Wednesday 28th July 2021 – 2pm – 4pm Wednesday 20th October 2021 – 2pm – 4pm</p>	

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MEETING ACTIONS – 21 October 2020

Minute No/Agenda No	Actions	Status/ Timetable	Action owner
03/21/10/20	Minutes of open meeting July 2020		
	JA to brief GT on the JASC concerns and GT to brief the JASC on their relationship with the JASC.	January 2021	JA
04/21/10/20	2019/20 Draft External Audit Findings Report		
	HMICFRS investigation update to be provided at January meeting.	January 2021	SR
	Committee Chair to see the final draft when complete and raise any additional comments with members before signing off. OPCC Treasurer to co-ordinate.		SA/JA
07/21/10/20	2019/20 External Audit Report Update (Paper)		
	GT to brief JASC at future meetings as new audit guidance is issued.	Ongoing	GT
	RM to brief JASC on new VFM arrangements and how these will fit with the HMICFRS inspection requirements.	Ongoing	RM
08/21/10/20	Treasury Management Outturn Report		
	WK to prepare a table showing the two sets of figures.	January 2021	WK
12/21/10/20	JASC work plan		
	JA to prepare draft Annual Report for consideration.	January 2021	JA
14/21/10/21	AOB		
	Monitoring Officers to prepare brief annual assurance report on compliance with Gifts and Hospitality policy and reporting.	March 2021	SA/JC

Formal Approval of Meeting Record		
Signature:		
Print Name:	John Anderson	Date : 13 January 2021