



## Warwickshire Joint Audit and Standards Committee Meeting Open Minutes

Date:	Tuesday 6 <sup>th</sup> July 2021
Time:	14:00
Location:	Virtual Meeting via Dial in and in person under social distancing regulations in the main conference room at Leek Wootton
Chair:	John Anderson
Vice Chair:	Gavin McArthur
Minute Taker:	Abby Simkin/Sara Ansell

### **Attendees**

#### **Audit Committee Members**

<b>Name:</b>	<b>Capacity:</b>
John Anderson	Chair
David Carter	Member
Helen Knee	Member
Gavin McArthur	Vice Chair

#### **Offices of the Police and Crime Commissioner**

<b>Name:</b>	<b>Capacity:</b>
Philip Seccombe (PS)	Police & Crime Commissioner
Polly Reed (PR)	Chief Executive, OPCC
Debbie Mullis (DM)	Development Lead for Standards & Integrity, OPCC
Abby Simkin (ASim)	Minute Taker
Sara Ansell (SA)	Treasurer, OPCC

### **Force**

<b>Name:</b>	<b>Capacity:</b>
Alex Franklin-Smith (AFS)	T/Deputy Chief Constable
Wendy Knox (WK)	Hd of Accounting & Financial Control
Jeff Carruthers (JC)	Director of Finance

### Internal Audit

<b>Name:</b>	<b>Capacity:</b>
Paul Clarke (PC)	Head of Internal Audit, Warwickshire

### External Audit

<b>Name:</b>	<b>Capacity:</b>
Jackson Murray (JM)	Grant Thornton

### Apologies

<b>Name:</b>	<b>Capacity:</b>
Debbie Tedds (DT)	CC Warwickshire Police
Richard Moore (RM)	DCC Warwickshire Police
Steve Russell (SR)	Hd of A, S & I
Andy Reid (AR)	Grant Thornton
David Reilly	Chair of Police & Crime Panel

### Items for Discussion

#### Update of Actions from Meeting held on 17 March 2021 or previous

<b>Minute No/Agenda No</b>	<b>Actions</b>	<b>Status/ Timetable</b>	<b>Action owner</b>
13/13/01/2021	<b>ASI Assurance and Action Plan – Progress Report</b>		
	Schedule of progress of planned audit activity to be available to members at next meeting – <b>ongoing</b>	September 2021	SR
15/17/03/2021	<b>JASC work plan</b>		
	Health and Safety quarterly report be provided for the next meeting.	September 2021	SR/AFS

<b>No</b>	<b>Item</b>	<b>Actions</b>
01/06/07/2021	Introductions were made by T/DCC Alex Franklin Smith	
	<b>Committee Members' Declaration of Personal Prejudicial Interests</b>  No personal interests reported.	

07/06/07/2021	<p>The Minutes of the open meeting dated 17 March 2021 were agreed as a true and accurate record.</p> <p>The chair noted that the quarterly health and safety report had not been circulated and requested that a copy be made available to members for the next meeting.</p>	<b>Quarterly H &amp; S report to be shared with members for next meeting</b>
08/06/07/2021	<p style="text-align: center;"><b>Ethics Report</b></p> <p>Summary given by the OPCC Development Lead for Standards &amp; Integrity which included the following points:</p> <ul style="list-style-type: none"> <li>• Since the last meeting the OPCC to date has received a further 13 complaints.</li> <li>• Performance including complaints sampling and understanding the impact and monitoring of new regulations is undertaken in conjunction with PSD.</li> <li>• A new head of PSD was appointed in May – T/Supt Daf Goddard.</li> <li>• The Internal Ethics Committee will meet in September as the last meeting was cancelled.</li> <li>• The OPCC now receives national data from IOPC, which is assisting with monitoring although some data inaccuracies are still evident.</li> <li>• HK acknowledged that the report was a huge improvement due to more data being made available. She thanked DM for the report but noted that the work is about the process and its improvement, not changing the outcomes of complaints.</li> <li>• Clarity was sought on the report which referred to 306 complaints, which was for those issues that had been resolved not those that had not been resolved.</li> </ul> <p>JASC Members noted the report and thanked both DM and HK for the update.</p>	
09/06/07/2021	<p style="text-align: center;"><b>Internal Audit Annual report – Paul Clarke</b></p> <p><b>An overview of the report was provided to Panel members which included:</b></p> <ul style="list-style-type: none"> <li>• Report provides an overview of work undertaken</li> </ul>	

	<p>in 2020/21 and gives a view on governance, risk management and the control environments of OPCC and of the force.</p> <ul style="list-style-type: none"> <li>• The challenges arising from the pandemic and the transitional state of services were acknowledged.</li> <li>• Coverage was intended to be broad, with focus on services now provided within Warwickshire and in the areas of finance and control.</li> <li>• OPCC risk management and Victim support services were also considered.</li> <li>• The overall Internal Audit opinion for the year was moderate assurance which is a positive opinion but reflects the current transient nature of services which need to become embedded. It also acknowledges the continuing environment of change with significant risk especially for ICT.</li> <li>• PS queried the limited assurance on the Use of Consultants report, but PC clarified that this was following a report that had rolled over from the previous year and related to the Alliance arrangements. He noted that a recent audit report on the use of Evolve consultants was more positive and showed improved controls.</li> <li>• PC responded to a question on payroll audits and whether the time allocated to the audit was sufficient, by saying that work had been reduced due to the service still being shared with WM, so there was no direct reduction in the quality or amount of work undertaken.</li> </ul> <p>JASC Members noted the Internal Audit annual report and the moderate assurance opinion.</p>	
<p>10/06/07/2021</p>	<p><b>2020/21 financial outturn report as approved by the PCC – JC/SA</b></p> <p>A comprehensive overview of the outturn position was provided by JC, including the recommendations that were approved at year end by the PCC. The report and verbal update covered:</p> <ul style="list-style-type: none"> <li>• the final revenue outturn.</li> <li>• the movement between quarters 3 and 4, including the main variances.</li> <li>• the reserves position.</li> </ul>	

	<ul style="list-style-type: none"> <li>• the final capital outturn.</li> </ul> <p>The report was welcomed by the JASC Members, who requested to receive similar quarterly information.</p>	<p><b>Quarterly Finance update report to be provided by SA/JC</b></p>
<p>11/06/07/2021</p>	<p style="text-align: center;"><b>Value for Money and CIPFA’s Financial Management Code – JC/SA</b></p> <p>The JASC received a summary of the CIPFA financial capability and resilience report which was prepared approximately 12 months ago. The force received a rating of 3, which is consistent with most other forces and the actions are now forming part of our work for meeting the FM code and general improvements on finance related issues. The main points to note included:</p> <ul style="list-style-type: none"> <li>- Our score of 3 is consistent with most other forces and despite actions being implemented, it is felt that our score may not increase significantly, due to a number of factors.</li> <li>- Warwickshire have had to establish a new finance department post Alliance, and to still achieve a 3 for finance capability for a new team is very encouraging.</li> <li>- Recommendations are currently being implemented. 3 documents have been produced which will help to develop and inform work around the force financial management statements, internal understanding of finance issues, and risk register updates. Business partners will use this approach to facilitate their frontline conversations to improve financial knowledge and capability throughout the force.</li> <li>- In response to a question on budget holders responsibilities JC commented that we are not where we want to be. Finance business partners still lead on this process but small changes are happening and this has been made easier through a gradual return to face to face meetings and time in the office.</li> <li>- In response to a question on penalties or recognition for good financial management – it was noted that none exist currently, but senior managers are engaged with this process, and solutions to any issues are considered where necessary.</li> </ul>	

	<ul style="list-style-type: none"> <li>- DC questioned whether budget holder responsibilities and reporting was pitched at the correct level and whether there were significant levels of centralised budgets which may disengage staff if they have little control over them. JC responded that there are a number of centralised budgets which can create some disengagement, especially as to the proportion of budgets that are still managed through the former Alliance. Senior managers are very engaged strategically, and this work will continue to be an area of focus by business partners, which is welcome by chief officers.</li> <li>- GT will use the report as part of their VFM work for 2020/21.</li> </ul> <p>PS and the JASC Chair acknowledged that much work had been done under difficult circumstances and thanked the Finance teams for their efforts.</p>	
12/06/07/2021	<p style="text-align: center;"><b>Draft Joint Annual Governance Statement 2020/21 – SA/JC</b></p> <p>Update given which included that a draft joint AGS has been produced as a single document across the force and OPCC, to streamline the process. It reflects the areas of commonality and the differences for each organisation in terms of governance. The main points to note are:</p> <ul style="list-style-type: none"> <li>- The document is a statutory document which will form part of our Statement of Accounts, which will be finalised fully at the point of sign off. JASC members will be kept informed of any material changes.</li> <li>- The document aims to demonstrate how both organisations have complied with their governance framework.</li> <li>- The document complies with CIPFA guidance by referring to 7 main principles and the governance arrangements in place to comply with these.</li> <li>- GM commented that the development of the governance structures in relation to risk management be considered for inclusion in the final document, where considered appropriate.</li> </ul> <p>JASC members noted the draft AGS statement.</p>	

13/06/07/2021	<p style="text-align: center;"><b>External Audit Progress Report and sector update</b> - <b>JM</b></p> <p>Update given by Grant Thornton which included the following:</p> <ul style="list-style-type: none"> <li>• Initial audit planning work had been undertaken. This is included in more detail in the Audit Plan (separate paper) and includes the financial statements and value for money (VFM). The approach and requirements for VFM has changed for 2020/21.</li> <li>• The new VFM approach and opinion moves away from a 'conclusion' and instead a commentary will be required on Financial Sustainability, Improving Economy, Efficiency and Effectiveness and Governance Arrangements.</li> <li>• JM/AR continue to meet regularly with finance team colleagues.</li> <li>• The report also covers fees, deliverables and timescales.</li> <li>• PS raised an issue regarding increased fees and what additional work is being undertaken. JM replied that much of this related to the new VFM work. They are now required to identify risks and undertake work on those, but also have to undertake work on the 3 main changes, specified lines of criteria, highlighted above. This is additional work resulting from changes to requirements nationally. Fees are not yet finalised and are still being discussed. PSAA will check the level of fees as ultimate moderator. GT have met with both the OPCC and Force Finance Teams as part of the audit planning for 2020/21 and will continue to meet monthly.</li> <li>• JM noted for GT that the audit timetable will be challenging for completion by the deadline of the 30<sup>th</sup> September 2021. This date is still being aimed for and progress will be monitored and reported to finance management and the JASC, as appropriate.</li> </ul> <p>JASC Members noted the progress report.</p>	
14/06/07/2021	<p style="text-align: center;"><b>External Audit Plan update - JM</b></p> <p>This report set out the GT planned response for</p>	

	<p>requirements to issue an opinion on the Financial Statements of the OPCC and the Force, and the VFM arrangements.</p> <p>The main headlines to note included:</p> <ul style="list-style-type: none"> <li>• GT undertake work on significant risks areas. Their work also includes the valuation of pension fund liabilities and land and buildings, and consideration of the AGS.</li> <li>• The Financial Statement audit materiality level is £2.3M, slightly increased from £2.1M in 2019/20 due to increased expenditure between years.</li> <li>• GT must report uncorrected omissions or misstatements, uncertainties at a level of £115k or above. Anything below this amount would still be addressed but be regarded as trivial and need not be reported.</li> <li>• Timelines will be adhered to where possible and any updates will be provided accordingly.</li> <li>• The report sets out the audit fees and provides an explanation for them, and confirms the independence of GT</li> <li>• HK raised a question around going concern and service continuity, requesting that early notice of any such concerns. JM responded that JC and SA will assess the going concern assumption. The change of auditor is Practice Note 10 which sets out the requirements. The shift is now to the continuation of services. JM reported that he currently has no information or plans that suggest services will not continue into the foreseeable future and is not aware of any material risks from an auditor perspective.</li> <li>• JM confirmed that all external audit requests will start coming through the information portal next week, allowing GT to start to prepare for the audit when it properly starts in September 2021.</li> </ul> <p>JASC members noted the joint audit plan.</p>	
/06/07/2021	<p style="text-align: center;"><b>Internal Audit Progress report (Paper) - PC</b></p> <p>An update was provided on the work undertaken by Internal Audit since the last meeting in March 2021. It noted:</p> <ul style="list-style-type: none"> <li>• Some 20/21 work has been completed, and is</li> </ul>	

	<p>reflected in the annual report earlier on this agenda. Remaining 2020/21 work is being finalised and work on the 2021/22 plan will soon be underway, as agreed with JC and SA.</p> <ul style="list-style-type: none"> <li>• The implementation of audit actions (Appendix C to the report) is generally positive in that actions are generally being progressed. There are some outstanding risks around IT where actions are not going to be implemented until services have transitioned fully, which remains a continuing risk as noted on the risk registers. Consultation meetings with senior management have been held about areas where the need for assurance is greatest having been identified and added to the draft Internal Audit work plan.</li> <li>• DC sought assurances on whether the work plan provides sufficient coverage for ICT systems and applications. PC responded that he felt it was, given the planned work on the Evolve team and change project, due to start soon.</li> <li>• GM asked whether there is any risk that the MOJ would reclaim grant if the routes back to the core data are weak. SA replied that this is a risk, and it is a requirement of the grant conditions that grant monies are returned if unspent. But this is monitored quarterly with partners, and it is hoped that full eligible spend of the grant will be achieved and that the finance data stands up to audit. However, all grant conditions will be complied with.</li> </ul> <p>JASC Members noted the Internal Audit progress report.</p>	
16/06/07/2021	<p><b>OPCC risk management policy review - SA</b> Update provided by the OPCC Treasurer</p> <p>JASC members noted the policy and the update, which included:</p> <ul style="list-style-type: none"> <li>• PCC risk management strategy now reviewed, with some minor amendments to incorporate the actions from the recent internal audit and how the work is being undertaken at the OPCC.</li> <li>• The policy will next be reviewed in March 2023.</li> <li>• Management of risk processes, becoming more embedded over last few months in particular – staff engaged and updated and feedback sought</li> </ul>	

	<p>on the policy document.</p> <ul style="list-style-type: none"> <li>• Staff have a reasonable understanding of their responsibility towards risk management strategy which is discussed at staff meetings.</li> <li>• Review of strategy also takes into account actions from the recent internal audit report, which gave moderate assurance on the processes in place.</li> <li>• A central operational risk register has been developed and is being used and updated regularly to manage lower level risks.</li> <li>• GM raised whether the latest strategy follows latest advice. SA responded positively and that it was based on research of policies for other OPCC's and also conversations with the force.</li> <li>• Chair enquired on the approach to project risks and whether a register exists for these. SA commented that the process for recording these was not prescriptive, but staff are required to reference them on the central operational risk register. Project risk registers therefore do vary, accordingly further consideration may need to be given as to whether a more consistent template or approach is required. This is under consideration by the OPCC.</li> </ul>	<p><b>SA to review whether a common approach and template be set up for project risks</b></p>
<p>17/06/07/2021</p>	<p><b>ASI Assurance and Action Plan (Paper) - AS</b></p> <p>A summary of the paper was provided covering an overview of the governance arrangements in place, the main issues included:</p> <ul style="list-style-type: none"> <li>• The latter part of the paper reflects a request by the JASDC at previous meetings to have an ongoing commentary on progress against the audit schedule.</li> <li>• The audit plan is usually produced in March and looks back at audits over the previous year, 2 audit officers carry out that activity on a day to day basis. Progress against plan is then shown, including anything ahead of schedule.</li> <li>• Additional audits around intelligence logs has been incorporated to reflect our current position to ensure we have the capacity and resources to do what we need to do, and identify any risks.</li> </ul> <p>JASC Members noted the report.</p>	

18/06/072021	<p style="text-align: center;"><b>HMICFRS Action Plan – update report - AS</b></p> <p>The update included:</p> <ul style="list-style-type: none"> <li>• The force had not been subject to any specific audits, so the report gives an overview of inspections that have been undertaken at national level and findings from those.</li> <li>• In terms of governance of these, the force maintains a tracker of recommendations. Governance has been tightened up around this recently, and recommendations from specific force reports or from generalised audits/inspections are allocated to a senior manager for a response to recommendations, which are progress tracked and reported quarterly to the Assurance Board.</li> <li>• The last real focus was on investigation audits. At the moment we are awaiting a custody inspection but currently no date has yet been set.</li> <li>• The PEEL inspection process will recommence in Spring 2022.</li> <li>• Self-inspection is currently underway following HMICFRS methodology and results will be reported to JASC.</li> </ul> <p>JASC Members noted the report.</p>	
19/06/07/2021	<p style="text-align: center;"><b>Joint Audit and Standards Committee Work plan - SA</b></p> <p>JASC members were provided with an update on the work plan noting:</p> <ul style="list-style-type: none"> <li>• New reporting regulations and requirements have been incorporated into the document.</li> <li>• There remains a risk around completion of the audit of the 2020-21 annual accounts by the 30<sup>th</sup> September, but we hope that we can keep timetable as set but this may need to be amended or an additional meeting included.</li> <li>• Health and Safety quarterly reporting will be included as a future agenda item.</li> </ul>	<p><b>SA - Monitor audit progress and consider whether an additional meeting of the JASC is required to deal with sign off of the 2020/21 accounts.</b></p>

20/06/07/2021	<p style="text-align: center;"><b>Members Points</b></p> <p>JASC member HK attended the last Police and Crime Panel to create better links. It was very interesting. Good discussions most of which have been picked up today particularly via the PCC's report at the beginning of the meeting. Points to highlight:</p> <ul style="list-style-type: none"> <li>• JASC need to be aware of the implications of police officer numbers being at their highest level which is good but brings issues around 40% of force having less than 3 years of service and what that might mean for what JASC might want to consider.</li> <li>• Impact of Covid19 on crime figures and the impact on trends and data going forwards.</li> <li>• Pleased to hear about Blue Light Collaboration Board; good to have a look across the forces and maximise public spend to ensure value for money. Important we are in context nationally.</li> <li>• PS welcomed the feedback and closer working but wanted to avoid any duplication of work and was mindful of the different roles of the two groups.</li> <li>• GM volunteered to attend the next PC meeting on 23<sup>rd</sup> September 2021.</li> </ul>	
21/06/07/2021	<p style="text-align: center;"><b>AOB</b></p> <p style="text-align: center;"><b>Meeting dates for 2021-2023:</b></p> <p><b><i>All meetings will be scheduled to run from 2pm – 4pm.</i></b></p> <p>Tuesday 28<sup>th</sup> September , 2021  Wednesday 19<sup>th</sup> January 2022  Wednesday 16<sup>th</sup> March 2022  Wednesday 6<sup>th</sup> July 2022  Wednesday 28<sup>th</sup> September 2022  Wednesday 18<sup>th</sup> January 2023  Wednesday 15<sup>th</sup> March 2023  Wednesday 5<sup>th</sup> July 2023  Wednesday 28<sup>th</sup> September 2023</p> <p style="text-align: center;"><b>Police and Crime Panel meeting dates:</b></p> <p style="text-align: center;">23<sup>rd</sup> September 2021 – 10:30 am</p>	
<p><b>Next Meeting : Tuesday 28<sup>th</sup> September 2021 at 2pm at Leek Wootton or virtual meeting (tbc – dependent on current restrictions)</b>  <b>Pre-meet session and private briefing for JASC members to commence at 12 noon.</b></p>		

## Meeting Actions

<b>Minute No/Agenda No</b>	<b>Actions</b>	<b>Status/ Timetable</b>	<b>Action owner</b>
<b>13/13/01/2021</b>	<b>AS &amp; I Assurance &amp; Action plan</b>		
	Schedule of progress of planned audit activity to be available to members at the next meeting - ongoing	September 2021	SR
<b>15/17/03/2021</b>	<b>JASC work plan</b>		
	Health and Safety quarterly report be provided for the next meeting.	<b>Ongoing</b>	SR/AFS
<b>16/06/07/2021</b>	<b>OPCC risk management policy</b>		
	To review whether a common approach and template be set up for project risks	<b>Ongoing</b>	SA/PR
<b>19/06/07/2021</b>	<b>JASC Work plan</b>		
	To monitor audit progress and consider whether an additional meeting of the JASC is required to deal with sign off the 2020/21 accounts	<b>Ongoing</b>	SA/JC