

## Warwickshire Joint Audit and Standards Committee Meeting

### Open Minutes

Date:	Wednesday 19 <sup>th</sup> January 2022
Time:	10:00
Location:	Teams
Chair:	John Anderson
Vice Chair:	Gavin McArthur
Minute Taker:	Lynn Aston

#### Attendees

##### Audit Committee Members

Name:	Capacity:	Person	Teams
John Anderson	Chair		X
Gavin McArthur	Vice-chair		X
David Carter	Member		X
Helen Knee	Member * <i>left the meeting at item 09/19/01/2022</i>		X
Andy Heath	Member		X

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

Name:	Capacity:	Person	Teams
Sara Ansell (SA)	Treasurer, OPCC	X	
David Patterson (DA)	Assurance & Scrutiny Officer, OPCC * <i>joined the meeting for item 09/19/01/2022 only</i>	X	

##### Public Attendees

Name:	Capacity:	Person	Teams
Dave Reilly (DR)	Chair of Police and Crime Panel		X

## Force

Name:	Capacity:	Person	Teams
Alex Franklin-Smith (AFS)	T/Deputy Chief Constable		X
Wendy Knox (WK)	Head of Accounting & Financial Control		X
Andrew Shipman (AS)	Crime & Incident Registrar		X
Stephen Russell (SR)	Head Analysis and Service Improvement		X

## Internal Audit

Name:	Capacity:	Person	Teams
Paul Clarke (PC)	Head of Internal Audit for Warwickshire CC		X

## External Audit

Name:	Capacity:	Person	Teams
Jackson Murray	Grant Thornton		X
Andy Reid	Grant Thornton		X

## Apologies

Name:	Capacity:
Debbie Tedds (DT)	Chief Constable
Polly Reed (PR)	Chief Executive, OPCC
Philip Seccombe (PS)	Police & Crime Commissioner
Jeff Carruthers (JC)	Director of Finance

## Items for Discussion

No	Item	Actions
01/19/01/2022	Welcome and introductions were made.	
	There were no declarations of personal prejudicial interests.	
08/19/01/2022	<b>Minutes of the open meeting of 20<sup>th</sup> December 2021</b>  The Minutes of the open meeting dated 20 <sup>th</sup> December 2021 were agreed as a true and accurate record and all actions discharged, with the exception of 3 changes as under:	LA to update minutes and save as final copy.

	<ul style="list-style-type: none"> <li>- 07/20/21/2021 2<sup>nd</sup> from last bullet point – ‘Cove’ should be ‘Cover’.</li> <li>- 11/20/21/2021 – no date given for when the CC would provide an annual presentation to the JASC.</li> <li>- 11/20/21/2021 – first bullet point to be changed to “The PCP had outlined the need for specific performance indicators in the Police and Crime Plan, JASC agreed this was primarily PCP business but that they would have a vested interest in ensuring that <b><i>the system for measuring performance</i></b> is effective against the Police and Crime Plan objectives.</li> </ul>	<p>SA/AFS to ascertain date when CC would present to the JASC.</p>
09/19/01/2022	<p style="text-align: center;"><b>Standards Update</b></p> <p>DP joined the meeting and introduced himself and explained his role as Assurance and Scrutiny Officer and that he had replaced Debbie Mullis.</p> <p>Referring to his report, DP highlighted</p> <ul style="list-style-type: none"> <li>- From March 2022 the agreement with West Midlands OPCC to share the Complaints Review Manager function will cease and under the new OPCC structure all Complaint Reviews will be undertaken in house.</li> <li>- Any excess demand for Complaint Reviews during this transitory period of recruiting a further Assurance and Scrutiny Officer will be conducted by an independent company under contract to the OPCC.</li> <li>- During November / December 2021 an internal audit of the OPCC Complaint Review policies, guidance, processes and practices was conducted with the outcome of the audit giving Moderate Assurances. Recommendations are being worked upon and risks added to the risk register.</li> <li>- The PCC met with the Professional Standards department in December 2021.</li> <li>- A meeting took place with the IOPC in November 2021 to discuss Warwickshire’s Complaints Reviews.</li> </ul> <p>AH noted that the internal audit report cited that procedures aren’t fully documented and wanted further information on the reasoning to outsource excess demand.</p> <p>DP advised that until the vacant position was filled outsourcing to a private company may need to be utilised.</p> <p>GM noted the lack of dip sampling and when this may be reinstated. DP advised that a new model for dip sampling is being looked at and plans are in place to recommence this work.</p> <p>JA thanked DP for his attendance and DP left the meeting.</p>	

<p>10/19/01/2022</p>	<p><b>2020/21 Statement of Accounts latest position, including an evaluation of the process including the new value for money work and consider any lessons learnt.</b></p> <p>SA advised that this agenda item was included to provide for an open discussion regarding the signoff of the 2020/21 accounts and VFM statement and sought independent feedback from members about the process and how we may be able to improve things going forward.</p> <p>Following the special meeting in December 2021, it was hoped that we were close to signing off the 2020/21 accounts, but this process is still ongoing. SA outlined to the Committee, that there had been a number of challenges on both sides, but progress had been made, and the value for money work was also complete. However, she also outlined the impact of such delays, for example on the budget work. Recent communications regarding the timetable for 2021/22 accounts has been shared, outlining that the audit deadline had been pushed back from September to November 2022. Although it remained somewhat unclear whether the publication date for draft accounts also had changed, or would be changed. As more information becomes available JASC will be updated. She also outlined that many other forces and LA's also had not had their audits completed within the timeframes for 2020/21, so whilst this was frustrating for WP and OPCC, we are not an outlier.</p> <p>JM advised that following the meeting in December 2021, 3 issues had remained. The first regarding PPL pension accounting had been resolved and no adjustments were required. The last two were about the Justice Centres and the share of the cash with the delays due to obtaining floor plans which were held by PPL. Confirmation had been received that the floor plans remained the same.</p> <p>JM advised that the audit was now complete and signatures can be sought.</p> <p>The VFM statement had been presented in draft previously at the December 2021 JASC meeting and once the statutory accounts are issued this can also be completed.</p> <p>JM advised that Audit Certificates cannot be finalised as the Government's Treasury haven't issued the Whole of Government Accounts guidance.</p> <p>JA requested confirmation when these issues would be resolved and was disappointed that this had taken another month. JM advised it would be completed by 31 January 2022. SA and JA to review the final copies of the statutory accounts and agree these on behalf of the JASC.</p>	<p>JA to be kept updated on the progress on the sign off of the audited accounts.</p>
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	<p>JA suggested a review of lessons learnt post completion of the audit by both teams, and noted that two items concerning pensions and asset valuations would not have changed much if tackled earlier in the year? JM agreed and gave assurances that the valuations were not expected to change for next year.</p> <p>JA also enquired after the status of the Grant Thornton team and could assurances be given around a stable team for next year. JM gave as much assurance as possible, as he was well aware of the challenges when team members change.</p> <p>DC requested assurance from the OPCC and CC as to whether adequate property plans are available so the issue of not having floor plans doesn't arise again.</p> <p>WK advised that the estates team do have all plans, however the Justice Centres were slightly different. These are split according to the partnership agreement but plans were available.</p>	
11/19/01/2022	<p style="text-align: center;"><b>External Audit Progress report and sector update</b></p> <p>A discussion took place regarding the dates included in the joint audit plan as the completion date for the 2021/22 accounts has now been moved from September to November 2022. JM advised that some work has been planned to take place in March 2022.</p> <p>The publication date for the draft accounts is a little unclear but it is likely to be 30<sup>th</sup> June 2022, given the changes in the date for audit completion to November 2022. As a result, from the 1 July 2022, the complete final accounts audit work would commence. JM advised that a feedback meeting has been organised to ensure that the efficiency and timing of the audit is increased.</p> <p>WK advised that improvements on both sides had been discussed and there had been a learning curve with the change in the audit team. Also, a new Grant Thornton portal where information could be uploaded securely was in its infancy. However, WK was confident that this year will be much better.</p> <p>JM outlined a national free workshop which had been sent out to finance colleagues which was a chance for teams to hear the changes coming.</p> <p>JA referred to the VFM qualification in 2018/19, resulting from the termination of the Alliance and the new governance processes that management had undertaken to put in place to address the recommendations.</p>	

	<p>JM gave assurance that the new VFM audit arrangements covered the governance processes subsequently put in place by management following the 2018/19 audit and these were adequate.</p>	
<p>12/19/01/22</p>	<p style="text-align: center;"><b>Internal Audit Progress report update</b></p> <p>PC referred to the circulated report and highlighted the following issues:</p> <ul style="list-style-type: none"> <li>- Progress against the 2021/22 plan continues. Some slippage has taken place but he is confident the majority of work can be completed prior to the end of the financial year.</li> <li>- A change programme regarding the governance around the Evolve project had been implemented and a briefing note was produced.</li> <li>- Positive progress of legacy IT actions has taken place and these have been closed off. Next year's work is being consulted on and will be reported to the March meeting.</li> </ul> <p>GM commented on the current year and last year where 40 days had been allocated to closing down the previous year's audits which will eat into resource and have a significant impact if allowed to go forward. PC agreed with this and is aiming to reduce this slippage, however, it was greater last year due to the impact of Covid. PC and SA are meeting to plan for the year ahead and how these days can be reduced.</p> <p>SA confirmed that there is no budget provision for additional audit days in 2021/22, the budget was increased following the ending of the Alliance to reflect the increased charges and loss of economies of scale through the 69/31 cost sharing agreement. She will work with PC to ensure that work is addressed within the available budget.</p> <p>AH asked if the contents of the plan are prioritised in case something drops out. PC confirmed that this takes place.</p> <p>JASC noted the report and looked forward to the plan being updated for the March 2022 meeting.</p>	
<p>13/19/01/2022</p>	<p style="text-align: center;"><b>ASI Assurance and Action Plan – Progress Report</b></p> <p>AS outlined the contents of his paper which provides an overview of progress with the Force Crime Data Integrity and Assurance Audit Schedule. Findings and recommendations from recent audits that have been presented to the Warwickshire Assurance Board are also outlined. AS highlighted:</p> <ul style="list-style-type: none"> <li>- Findings from recently completed audits reviewed 250 investigations with a non-crime primary classification</li> </ul>	

	<p>and evidence of safeguarding was good on both incident logs and investigation records.</p> <ul style="list-style-type: none"> <li>- The audit around Reported Incidents of Violence reviewed 299 reported incidents and determined that there were 274 notifiable crimes disclosed that should be recorded. The audit found that 258 of the offences had been recorded giving a compliance rate of 94.2%. This is a good level of assurance.</li> <li>- The cancelled crime audit showed signs of improvement from the previous audit.</li> <li>- The Bail and RUI audit looked at the management process when a suspect was released. There were issues around officers not routinely updating how the case was progressing and reasons were identified.</li> </ul> <p>AS also outlined the future audits scheduled.</p> <p>GM asked about the Bail and RUI audit and what the overall conclusion was as no overall grading had been given. AS advised that there weren't a huge number on bail, which was positive, and delays included awaiting CPS advice and workload and operational needs which will feed into further work by the force.</p> <p>JA thanked AS and his report was noted by JASC.</p>	
14/019/01/2022	<p style="text-align: center;"><b>HMICFRS Action Plan Update – Progress Report</b></p> <p>SR referred to the report circulated and advised that there has been significant activity in terms of HMICFRS inspections and highlighted the following:</p> <ul style="list-style-type: none"> <li>- The force has now begun the PEEL inspection process which is more of a continuous inspection and less intensive. The inspection commenced in November and is ongoing.</li> <li>- The Inspection team has not changed which is positive, as they have a much better understanding of Warwickshire.</li> <li>- A self-assessment was undertaken last year.</li> <li>- A thematic inspection around child protection is underway and reports will be brought to the JASC.</li> <li>- A custody inspection took place last year and whilst the debrief was relatively positive, some elements of the draft report have been challenged. Some improvements are required and the report will be brought to the March 2022 JASC meeting.</li> </ul> <p>DC referred to the final paragraph which noted that Warwickshire has 3 Causes for Concern open and asked what these related to. SR believed these to be linked to digital forensics but would circulate the link.</p> <p>DR requested that the Police and Crime Panel would like a</p>	<p>SR to send the link with the 3 Causes of Concern.</p> <p>AFS/DP to deliver</p>

	briefing note around the PEEL inspection. AFS to work with DP to action that request.	a briefing note around the Peel Inspection.
15/19/01/2022	<p style="text-align: center;"><b>JASC Annual Report</b></p> <p>JA introduced the JASC annual Report which was the second report undertaken. Firstly, JA wanted to thank everyone who contributes to the work of the Committee and submits reports and briefings. Specifically, JA would like to thank the PCC for attending the meetings, as during the benchmarking exercise he had undertaken during the report's preparation, it was clear that no PCC or CC actually attended the meetings but met with the Chair once a year outside the meetings.</p> <p>JA wanted to highlight the report on Health &amp; Safety which was a first. Next year would include focus on Wellbeing and Equality, Diversity and Inclusion. Risk and Transition would continue to remain key areas to focus on.</p> <p>SA thanked JA for preparing the report, she appreciated the time it had taken to pull together, welcomed the benchmarking and research undertaken and welcomed including some of the findings into the workplan moving forward.</p> <p>JA asked for comments on the report and suggested that the workplan be updated at the meeting on 23 February 2022.</p> <p>The JASC noted the report and agreed for it to be submitted to the PCC and CC. A copy would also be sent to the Police and Crime Panel.</p> <p>DR advised that also he would forward a copy of the Police and Crime Panel's Annual Report to the JASC.</p>	<p>SA to send Annual Report to the PCC and CC</p> <p>DR to forward copy of the Police &amp; Crime Plan Annual Report.</p>
16/19/01/2022	<p style="text-align: center;"><b>To receive a report on the option to opt into the national procurement for audit services (PSAA) from April 2023 onwards</b></p> <p>SA referred to the briefing paper that she had written for the PCC regarding the appointment of external auditors from April 2023 and outlined the three options:</p> <ul style="list-style-type: none"> <li>• To arrange our own procurement and make the appointment ourselves,</li> <li>• To arrange procurement in conjunction with other bodies, or</li> <li>• Once again take advantage of the national collective scheme administered by PSAA.</li> </ul> <p>The report outlined the benefits and risks and did recommend</p>	



to the PCC that opting into the national collective scheme was the preferred option. A formal decision is required before 11 March 2022.

SA confirmed that the PCC is minded to take the advice and opt in but wished to seek the view of the JASC. The PCC is aware of the risks around cost increases and quality but is mindful that if we went alone there would be no guarantees around costs and a local procurement process would have to take place.

SA also advised that she regularly networks around local authorities and there was no appetite locally to undertake a joint procurement exercise in this area.

SA welcomed any comments or questions and will take these back to the PCC to assist in his final decision making.

JA mentioned that during his benchmarking exercise for the annual report, he had become aware of delays in the completion of audits and a huge increase in audit fees. Grant Thornton had increased their fees by 20% for the additional work undertaken, whereas two other firms had increased their fees by 72% and 84% respectively.

JA asked if you opt in can you chose which supplier. SA confirmed that this was not possible and an allocation is made to preserve the integrity and independence of the process.

JA further asked if SA thought that the PSAA had contributed to the delay in audits. SA didn't think so as the contract with the PSAA mean that they only get involved in fee interventions where they acted as an arbitrator/mediator. The responsibility lay with audit firms and those being audited to agree their timetables for the completion of work.

AH confirmed that the paper was well argued and he felt it was an easy solution to opt in though there were very few costs in the paper. He appreciated that there must be economies of scale going through a national procedure, as Warwickshire is a relatively small force, and if we went alone the cost of procurement will obviously increase costs.

DC confirmed support of SA's recommendations.

GM wanted to check on the rational of £50k for undertaking the process locally. SA responded that this was a high estimate, not worked through in any detail and was provided to give some initial thought to the likely costs, based on her discussions with colleagues and her research. Such costs would need to cover the setting up of a local procurement process and a separate auditor panel. This would have to be retained longer term to oversee the procurement and audit

	<p>performance process.</p> <p>Finally, JA asked if SA knew who the 4 new firms were that may come forward. SA confirmed PSAA to her knowledge had not released the names of these organisations.</p> <p>JASC confirmed their support to the recommendation to opt in to the national collective scheme administered by PSAA.</p>	
17/19/01/2022	<p><b>To review the end of year treasury report for 2020/21</b></p> <p>WK referred to the Treasury Report circulated and how the first part detailed the economic background with the table on page 4 detailing how the loan situation had not changed.</p> <p>WK explained that investments were low in the year and whilst short term borrowing took place there was no external borrowing; though she did state that Capital borrowing may be required at a later date.</p> <p>There was an average of £8m in investments with the peak top up grant of £15m as rates were very low and local authority rates were not much higher and they were not interested in taking on many investments.</p> <p>WK did highlight one breach of the previous year's Treasury Strategy which was the holding of cash. Normally no more than £5m was held in any one bank, however at the start of Covid it was deemed prudent to hold onto more cash to pay for PPE and possible overtime.</p> <p>JASC thanked WK and noted her report.</p>	
18/09/01/2022	<p><b>To review the mid-year treasury report 2021/22</b></p> <p>WK referred to her report and highlighted two main points:</p> <ul style="list-style-type: none"> <li>- As of 30 September, the number of loans is the same as last year, as none have been taken out this year.</li> <li>- There have been no real changes with investment opportunities remaining challenging.</li> </ul> <p>JA referred to paragraph 5.1 and asked which PCC the short-term loan had been granted to. WK thought it maybe Wiltshire but would confirm and advise.</p> <p>JASC members noted the report and thanked WK for her input.</p>	<p>WK to confirm which OPCC was lent money.</p>
19/19/01/2022	<p><b>Joint Audit and Standards Committee workplan</b></p> <p>SA referred to the paper circulated and advised that the workplan had been reworked and realigned with a couple of items to note:</p>	<p>SA to reserve the right to amend the meeting schedule, when</p>

	<ul style="list-style-type: none"> <li>- SA to keep JA abreast of issues regarding sign off the 2020/21 Statement of Accounts.</li> <li>- Changes may be required to the timeline for audited accounts for 2021/22 due to the September deadline changing to November 2022. This may require meeting dates being moved.</li> <li>- Suggestions from the annual report will be included and discussed at the meeting on the 23 February 2022.</li> </ul> <p>DC requested two items be added to the workplan:</p> <ul style="list-style-type: none"> <li>- Police and Crime Plan on the March 2022 agenda.</li> <li>- Transition to be a standing item until at least July 2022.</li> </ul>	<p>more information is known regarding the 2021/22 accounts and audit timetable.</p> <p>SA to include these items in the relevant agendas.</p>
20/19/01/2022	<b>Members Points</b>	
	GM advised that he had been tasked by JA to devise an Assurance Map which was effectively a large table of subject areas whereby sources of assurance can be mapped at all levels. GM had commenced drafting the table and anticipates input from Officers will be required. GM hoped to have a draft for the February 23 2022 members meeting.	
21/19/01/2022	<b>AOB</b>	
	There were no items of AOB raised.	
<b>Next Meeting: Wednesday 16<sup>th</sup> March 2022 at 2pm at Leek Wootton</b>		

### Meeting Actions

Minute No/Agenda No	Actions	Status/ Timetable	Action owner
08/19/01/2022	SA/AFS to ascertain date when CC would present to the JASC.		SA/AFS
10/19/01/2022	JA to be kept updated on the progress on the sign off of the audited accounts.		SA
14/19/01/2022	SR to send the link with the 3 Causes of Concern.  AFS/DP to deliver a briefing note around the Peel Inspection.		SR  AFS/DP
15/19/01/2022	SA to send Annual Report to the PCC and CC  DR to forward copy of the Police & Crime Plan Annual Report.		SA  DR
18/19/01/2022	WK to confirm which OPCC was lent money.		WK

<b>19/19/01/2022</b>	DC requested two items be added to the workplan: Police and Crime Plan on the March 2022 agenda. & Transition to be a standing item until at least July 2022.		SA
<b>19/19/01/2022</b>	SA to reserve the right to amend the meeting schedule, when more information is known regarding the 2021/22 accounts and audit timetable		SA