

**OFFICE OF THE POLICE AND CRIME COMMISSIONER**  
**OFFICE OF THE CHIEF CONSTABLE**

**JOINT AUDIT COMMITTEE**

28 July 2021

Present: Mrs D Turner (Chair)  
Mr J Sheppard, Mr A Blackmore, Mr R Leadbeter and Dr J Wademan

Together with: Mr J Cuthbert – Police and Crime Commissioner (PCC)  
Mr D Garwood-Pask – Chief Finance Officer (CFO)  
Mr N Stephens – Assistant Chief Officer, Resources (ACOR)  
Mr N McLain – Head of Continuous Improvement (HoCI)  
Mr D Taylor – Chief Inspector, Civil Contingences (CICC)  
Mr M Coe – Head of Finance (HoF)  
Mrs T Veale – Audit Wales (AW)  
Ms C James - Audit Wales (AW)  
Ms H Williams – Audit Wales (AW)  
Mrs H Cargill – (TIAA)  
Mrs N Warren – Governance Officer (GO)

The meeting was held via Teams online and partly in person at Conference Room 1, Headquarters and commenced at 10:00am.

**APOLOGIES**

**Action**

1. Apologies for absence were received from Ms P Kelly, Chief Constable, Ms A Blakeman, Deputy Chief Constable, Mrs S Curley, Chief Executive and Mrs J Regan, Head of Assurance and Compliance

**DECLARATIONS OF INTEREST**

2. There were no advance declarations made in relation to the business to be transacted.

**MINUTES**

3. The minutes of the meeting held on 10<sup>th</sup> June 2021 were received and confirmed.

We noted 2 minor amendments:

Page 12, 'Joins' should read 'Joint' and on Page 19 'achiever' should read 'achieve'.

**GO**

## **APPROVAL OF THE JOINT AUDIT COMMITTEE ANNUAL REPORT**

Action

4. We received and noted the Draft Joint Audit Committee Annual Report.

The Joint Audit Committee (JAC) members had provided comment on the draft report to the Chair prior to the meeting. The Chair thanked the members for their comments and informed us that the report had been updated accordingly and advised us of the changes.

TIAA advised us that the number of Internal audits on page 6 of the report referred to the previous year and it was agreed that the report could be approved and circulated, subject to the audit numbers being updated with this year's information from the Annual Governance Statement.

GO

The CFO thanked the Chair for completing the annual report this year.

## **ANNUAL AUDIT OF FINANCIAL STATEMENTS - ISA260**

5. We received the Annual Audit of Financial Statements ISA 260 Report from Audit Wales (AW).

AW confirmed they had complied with the ethical standards that applied to their work, by remaining independent of the Force and their objectivity had not been compromised in any way throughout the process.

AW explained that it had been a challenging year in that work processes had changed due to the impact of Covid19. AW thanked the Finance Team for their professionalism in producing the draft Statement of Accounts before the statutory deadline on 28<sup>th</sup> May 2021; it was expected that the Final Accounts would be signed off by the Auditor General on 30<sup>th</sup> July 2021.

AW intended to issue an unqualified audit opinion for both the Commissioner's and the Chief Constable's Statement of Accounts, once their Letters of Representation had been provided.

There was one remaining uncorrected misstatement identified in the Statements of Accounts of £109,000, relating to the Pension Fund Account; which was not material to an understanding of the accounts.

Our attention was drawn to two significant issues arising from the audit:

- There had been significant improvement in the quality of the draft Accounts since the previous year. Working papers were received from the Finance Department in a timely manner and the accounts were quality assured prior to sending them to AW; which improved the process substantially; and
- AW had been unable to verify the physical existence of laptops purchased in December 2017. It was recommended that

procedures were improved to ensure all assets could be located, and for those that could not be traced, for their net book value to be written down as nil.

**Action**

There were no other recommendations arising from the financial audit apart from general housekeeping which takes place annually in the form of a post project learning session to improve the accounts process further.

We referred to appendices 5 and 6 and noted a number of the corrections in the draft Financial Statements were outside of management's control, including the revision of the IAS19 pension report for Police schemes from the Government Actuary Department (GAD), which was received after 31<sup>st</sup> May 2021. JAC acknowledged and accepted why management had taken the decision not to correct the misstatement of £109,000 identified above due the effort required to adjust the figures in a short space of time, having only received the final pension figures from GAD in June.

The Committee members asked what the expectation was with regards to the identification of the laptops by the following year and sought assurance that processes would be more robust going forward to prevent this issue occurring again.

The ACOR explained 185 laptops were purchased in 2017/18 in order to conduct a pilot roll-out within the Force, prior to a full roll out across the Force. A reconciliation exercise had been undertaken in Autumn 2020 where 85 of the laptops had been identified and it was expected that the full reconciliation for the remaining 100 laptops would have been completed by the 31<sup>st</sup> March 2021. However, as this expectation had not been realised, the ACOR assured us he would ensure the reconciliation was completed.

We were assured that management action had subsequently been undertaken and a 'Devices Team' had been established within the Force to manage items such as laptops. The asset register now links into the inventory system, so that the items can be traced back to individual users. Furthermore, the device asset numbers can also be monitored via the network to ensure they're still in operation, to ensure all items can be accounted for.

We noted the date on page 8, paragraph 27 was incorrect and should read 2021-2022 as opposed to 2020-2021.

**AW**

We referred to page 16, line 1 and page 20, basis of opinion, and noted reference was made to the Council and asked that it be amended to reflect the appropriate authority.

**AW**

We referred to page 27 and 28 and queried what the incorrect mapping issues were in relation to the Big Red Button (BRB) formatting software and we were advised there had been a small number of mapping issues

which had occurred when the figures were manually transferred from the ledger into the appropriate accounting categories. The Finance Department have subsequently agreed to conduct a full review of the mapping of the accounts for 2021/2022 prior to closure.

**Action**

We noted the reference to P11Ds on page 30 and queried what caused the disparity between the figures. AW advised us that the deadline for submission of P11Ds was after the preparation deadline for the draft accounts and therefore estimated figures were used. The figures were updated when the final P11Ds figures are received and it was established that this was common practice in most Local Authorities and Police Forces.

The Committee queried if the expenses submission process could be improved to ensure expenses were submitted earlier in order that the P11Ds could be prepared in time for the year-end accounts process. The HoF informed that every effort was made to ensure the P11Ds were as accurate as possible by May each year and Senior and Chief Officers P11Ds were prioritised in May. However certain issues filtered through in May or June that had to be taken into consideration. The ACOR agreed to review the process and discuss it with AW.

**HoF**

We referred to pages 10, 18 and 23 and noted the reference to 'enquiring of management and the JAC about actual and potential litigation and claims'. JAC members confirmed that this had not been raised with them and requested clarity in relation to the narrative used. AW confirmed this was a standard management request and it was referring to those charged with governance, which in this case referred to the 'corporations sole' (Chief Constable and the Police and Crime Commissioner), recommending that JAC have sight of the Letter of Representation as good practice. The CFO advised us that he would share the management request letter in future together with the Force's response.

**CFO**

We thanked all involved for the significant improvement in the quality of the accounts and for being able to complete them in a timely manner under difficult circumstances.

## **STATEMENT OF ACCOUNTS AND APPROVAL OF JOINT ANNUAL GOVERNANCE STATEMENT**

6. We received and noted the Statement of Accounts, including the Annual Governance Statement.

The HoF presented the changes between the draft and final Statement of Accounts for 2020/21.

We were advised that the accounts preparation process had gone very well and the HoF offered his thanks to the AW team for working collaboratively with the Finance Department. The Statement of Accounts

were therefore awaiting final sign off by the 31<sup>st</sup> July 2021 statutory deadline.

**Action**

The HoF outlined two major events during the year:

- Covid19 - the costs to date had been fully funded and the excess funding received in 2020/21 has been ring-fenced in reserves to cover on-going Covid19 costs in 2021/22; and
- McCloud pension ruling issue - the adjustment figures for the McCloud pension ruling have been considered within the accounts, but there are a number of issues still awaiting resolution such as the compensation claims and the Pension remedy approach.

We were advised there was a new Police Pensions' Administrator which would assist in ensuring the pensions data was provided to GAD in the format required and in a timely manner.

The Outturn for the year was a £0.221m surplus against a revenue budget requirement of £138.991m, which would be transferred to usable reserves as some of the useable reserves had been utilised for the Capital Programme, including the new HQ build. Liabilities had increased and were expected to increase further due to movements on pension liabilities.

We were informed there had been three adjustments made between the unaudited and final audited Comprehensive Income and Expenditure Statements (CIES) - £2,037k reclassification of grant income; £419k of additional income from the Welsh Government (WG); and the re-measurement on pension net liability.

In terms of the final balance sheet position, the level of usable reserves has reduced to £42.2m compared to £46.1m in 2019/20.

The key movements on the Balance Sheet from the unaudited to audited accounts were - £409k additional funding from the WG which increases debtors and the usable reserves; the IAS19 GAD adjustment due to increased pension figures of £15,100k; and the reclassification of long-term assets held for sale into current assets.

Following the meeting, the Chief Constable and Police and Crime Commissioner (PCC) would sign off the Statement of Accounts and the Letters of Representation, to enable the final sign off by the Auditor General on the 30<sup>st</sup> July 2021, for publication on the 31<sup>st</sup> July 2021.

The JAC Lead on Accounts thanked the HoF and the CFO for addressing the issues he had raised following receipt of the initial draft Statement of Accounts at the June JAC meeting. However, it was suggested that the format of the Statement of Accounts be reviewed to ensure the headings were in alignment prior to publication.

**HoF**

One of the JAC Lead's recommendations relating to cash and cash equivalents on page 71 had not been amended, where it appeared to imply that £4.862 million had been included within cash equivalents, which were in effect due from the Home Office for pensions. The JAC Lead had therefore suggested that if the monies were due and had not yet been received, then it should be reflected in debtors. The HoF explained that the money had been received by the PCC, but it was accounted for in this way in order to keep it separate between the Pension Fund and the PCC Group Accounts. The Chair thanked the JAC Lead on Accounts for his assistance during the process.

TIAA informed us that the draft Internal Annual Audit report had been finalised since the previous meeting in June. The only addition to the report was the Early Action Together audit which had received a substantial assurance opinion and this has been included in the Annual Governance Statement (AGS).

The CFO thanked JAC members for the constructive comments in relation to the draft AGS and advised us that the AGS had been amended to reflect the majority of the recommendations.

Following a comprehensive review the JAC members recommended approval of the AGS.

### **The PCC left the meeting at 10:55am**

### **FORCE MANAGEMENT STATEMENT – VERBAL UPDATE**

7. We received a verbal update on the Force Management Statement.

We were advised the same Chief Inspector was writing the Force Management Statement (FMS) this year as in the previous year, which would provide continuity in terms of consistency and approach.

The Force had submitted their FMS to Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) early last year, but they had not yet received feedback from HMICFRS. However, national feedback had indicated a positive improvement across the board.

The FMS process for this year had commenced and meetings with Force Leads had been arranged; many of which had already taken place in order to gather the required information to complete the FMS.

There has been a slight change to the process this year. The Force have been working with the College of Policing and plan to develop Business Plans using the information contained within the FMS to assist with planning in relation to spend and processes; the new approach will be unique to Gwent.

The ACOR advised us that previous FMSs had helped to inform decision making in terms of investment planning and there had been stepped improvement in performance.

The HOCl informed us that the UK Government had announced a new 'Beating Crime Plan' yesterday in order to raise public confidence. Chief Officers conducted a Strategic exercise following the announcement, in order to analyse the Strengths, Weaknesses, Opportunities and Threats the new plan could bring to the Force. It was identified that there may be a funding requirement in relation to the provision of Youth Offender Management; the Safer Streets initiative; and for work conducted in Schools - this information would be incorporated within the FMS.

The UK Government stipulated in their Beating Crime Plan that Forces should have a 'clear focus on current crime' and we were informed that many areas contained within the plan already existed in the Force Delivery Plan (FDP). Performance against the FDP was being monitored in terms of outcomes, which puts the Force in a good position from the outset. However, further work would be undertaken to ensure any gaps could be identified and the necessary action would be taken to fill the gaps.

It was expected that the FMS would be submitted to the Chief Officer Team for review within the New Year 2022, in preparation for submission to the HMICFRS in May 2022.

The JAC members thanked the HOCl for providing assurance that the FMS had been instrumental in assisting with the analysis of the new Beating Crime plan and also ensuring the value for money aspect was being taken into consideration.

## **UPDATE ON BUSINESS DURING COVID19**

8. We received and noted the update report on business during Covid19.

The CICC provided a summary of events since the writing of the report.

Covid19 regulations across England and Wales had been relaxed considerably and further restrictions were expected to be relaxed in Wales on the 7<sup>th</sup> August. However, it was anticipated that some elements of the regulations would remain in place which could cause issues for the Force in terms of enforcement, as public perception may be that all the regulations have been relaxed.

Force demand had reduced significantly in relation to Covid19 incidents; in January 2021 there were 1300 incidents and in June 2021 163. Force demand had shifted from dispersing mass gatherings to enforcement of quarantine regulations, to ensure international travellers adhered to isolation regulations on their return. All enquiries relating to these issues are received through the Force Covid19 Hub, which are triaged and intelligence is gathered prior to neighbourhood officers being deployed.

The Force are continuing to monitor the impact of Covid19 and are also addressing the recovery for the workforce, in terms of what will become normality. However, there is currently a third wave of the virus and National Health Partners have advised that whilst death rates are low, hospitalisation of Covid19 patients is increasing.

The increase in infection rates in other Forces was higher than in Gwent, however, the number of officers having to isolate had increased due to officers having been in close contact with someone who was infected.

The current wave and any new virus mutations presents a challenge to the Force going forward, particularly if vaccines prove ineffective to any new strains of the virus. The Force will be monitoring the situation closely in conjunction with the health service.

The Health and Safety Executive stipulates that it is a legal requirement for Forces to help prevent workplace transmission, however, the number of employees being notified ('pinged') to isolate is a primary issue of concern for the Force at the moment, as this means employees are potentially not available for 10 days.

The Welsh Forces are working together with the Welsh Government Liaison Unit to address the issue of recovery and Gwent has submitted a proposal to establish a Recovery Board in alignment with the other Welsh Forces.

There have been indications that the self-isolation regulation will continue beyond August 7<sup>th</sup> and discussions are taking place with the Welsh Government regarding the Force undertaking daily Covid19 tests in order to be able to keep employees in work. The capability and processes are already in place to conduct this practice, but it requires authorisation by the Welsh Government and Public Health Wales.

The JAC members thanked the CICC for the comprehensive report and for the work the Force were undertaking behind the scenes, in order to keep the public safe. JAC members expressed disappointment that front-line officers were not prioritised during the vaccine rollout, given their close proximity with the public.

We noted the provisions made by the Aneurin Bevan University Health Board to assist the Forces as far as possible within the Covid19 guidelines and a Committee member asked for consideration to be given to thank the Health Board for supporting the Police workforce to feel safer in their job. The ACOR explained the Force continued to work with many partner organisations in addressing the response to the pandemic and would discuss how best to acknowledge the support provided.

We noted the wellbeing initiatives and asked if they would be maintained when Covid19 had diminished. We were advised the improvements were to remain in place and a new well-being post was also being established.



This post would provide further support to the workforce, in addition to the existing well-being lead post, particularly to those who have been in isolation.

We noted the Force had worked closely with key community leaders and was able to gain the support from the Mosques and Imams in the area, to help to explain the restrictions during the first lockdown in 2020. A JAC member then asked how many Mosques were located in Gwent. The CICC informed us there were approximately ten Mosques, eight of which were in Newport. The Force Community Cohesion team speaks regularly with local contacts in the area and has a good working relationship with the Mosques.

As there had been some public concern relating to a potential lockdown in the Autumn/Winter period, we asked if contingency plans were put in place as there was an expectation that the lockdown would happen, or if it was just protocol should it become a reality. We were advised there was no indication that there should be another lockdown, as the expectation was to manage the alert levels according to the situation at the time. The Incident Management Teams were to remain in place for the next twelve months in Force and if the Strategic Co-ordination Group should be required again in the future, it could easily be re-established and the Recovery Co-ordination Group remains on-going.

9. The information contained in the report(s) below has been subjected to the requirements of the Freedom of Information Act 2000, Data Protection Act 2018 and the Office of the Police and Crime Commissioner for Gwent's public interest test and was deemed to be exempt from publication under section 7.

### **HEADQUARTERS UPDATE**

10. We received a verbal update on the Headquarters (HQ) build.

The ACOR provided a virtual tour of the building to highlight progress.

We were informed that many of the risks had been resolved:

- A planning agreement had been reached with the Local Authority regarding the requested cycle path and the path was almost complete;
- The asbestos issue at the existing HQ would form part of the Torfaen Hub project; and
- The issues in relation to furniture and equipment had been resolved.

However, Covid19 remains a risk to the project due to the future level of restrictions being unknown. There was also an additional cost for the provision of a secondary cabin on the site, to ensure that social distancing measures could be followed.

The Information Communications Technology (ICT) risk remains due to the delivery date of the Cisco fibres and this has resulted in the project being delayed by four weeks.

**Action**

We asked why there was delay with the delivery of the Cisco fibre and the ACOR confirmed there was a worldwide technological supply issue due to Covid19 and Cisco was a specific type of fibre that was required. There was also an issue with regards to laptops for the new recruits as there is a lead-time on orders of six months.

The current plan shows the final department transferring to the new building by January 2022 however, the phased timeline for moving was subject to change depending on receipt of the Cisco fibre and the delivery of the remaining paving to the parking area. This would be dependent on Health and Safety and building control approval.

We asked if the contractor would be liable for the delay in completion of HQ should the Cisco fibre not be delivered when expected and if any additional costs would be liable to the Force. The ACOR confirmed that the ICT element of the build was the responsibility of the Force, however, the paving was the responsibility of the contractor.

Employees have been able to visit the building in order to familiarise themselves with the layout and they would be provided with a welcome pack prior to moving to the building.

We noted that Governance continued to be monitored through the HQ Project Board and there had also been a minimal amount of movement in funding, however, the extra costs were manageable and justifiable.

We asked when the JAC would be able to meet within the new building and the ACOR advised us that once the building was safe and secure, we could arrange for the meeting to take place. In the interim, provided the members were happy to meet in close proximity, a visit to HQ could be arranged before December 2021.

**ACOR**

The Committee asked if there were any plans for a formal opening of the HQ and the ACOR informed us that a soft launch would take place in 2021 and the Force were considering a hard launch in the following spring.

## **DISASTER RECOVERY PROGRESS UPDATE**

11. We received a verbal update on Disaster Recovery progress.

The ACOR advised us that the Disaster Recovery facilities were in place for the platinum services and the Force Control Room, for the ability to respond to calls of service.

The resilience service for the active directory, the mail boxes and Microsoft Office 365 was currently built into the Blaenavon site but needed

to be switched into Fairwater site, where data has been replicated for the last six months. The British Telecom line has been commissioned and was due to be installed and implemented over a ten-day period in August and therefore the process should be complete at that point. The delay was due to upgrading the order to purchase a new switch to enable services to be managed remotely as opposed to managing them on site.

### **ANY OTHER BUSINESS**

12. There was no other business raised.

### **TO IDENTIFY ANY RISKS ARISING FROM THIS MEETING**

13. The matters below were identified as issues or potential risks for consideration.

**ACOR/  
CFO**

- The impact on morale within the Force due to the proposed funding settlement from Government and what this means in terms of well-being.
- Continuing inconsistency in respect of Covid19 regulations between England and Wales and the potential to cause civil disobedience; particularly along the border of England and Wales.
- The requirement for investment to support the delivery of the UK Government's 'Beating Crime Plan'.

**The meeting concluded at 11:40**