

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

JOINT AUDIT COMMITTEE

8th December 2021

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

Together with: Ms E Thomas – Deputy Police and Crime Commissioner (DPCC)
Mr D Garwood-Pask – Chief Finance Officer (CFO)
Mrs S Curley – Chief Executive (CEX)
Mrs N Warren – Governance Officer (GO)
Mr N Stephens – Assistant Chief Officer, Resources (ACOR)
Mr N McLain – Head of Continuous Improvement (HoCI)
Mr M Coe – Head of Finance (HoF)
Mrs T Veale – Audit Wales (AW)
Ms H Williams, Audit Wales (AW)
Mr S Gourlay – (TIAA)

The meeting was held via Teams online and partly in person at Conference Room 1, Headquarters and commenced at 10:00am. The Chief Executive joined the meeting later due to having other work commitments.

APOLOGIES

Action

1. Apologies for absence were received from Mr Jeff Cuthbert, Police and Crime Commissioner, Ms P Kelly, Chief Constable (CC), Ms A Blakeman, Deputy Chief Constable (DCC), Mrs J Regan, Head of Assurance and Compliance (HOAC), Ms C James, Audit Wales (AW) and Mrs H Cargill, (TIAA).

DECLARATIONS OF INTEREST

2. There were no declarations made.

MINUTES

3. The minutes of the meeting held on 9th September 2021 were received and confirmed.

We noted a revised Joint Risk Register was to be presented to JAC in the December 2021 meeting and requested an update. The HOCl advised us that it was still in the process of being reformatted, however the data presented within the existing Joint Risk Register was up to date in terms of its data.

The JAC ICT lead referred to Issue 16b, the Business Continuity Management audit action and requested clarification on the arrangements of the live exercise planned before 31st December 2022. It was clarified that a table top exercise was planned for completion by the 31 March 2022 (actual 16.03.2022), and the live exercise by the end date of the 31st December 2022.

Action

A discussion ensued regarding the review of the Forward Work Planner, to ascertain if any of the reports could be reviewed bi-annually as opposed to quarterly. It was agreed that the planner would remain unchanged for the time being and a review would be considered at a later date if required.

ACTIONS

4. We received and noted the actions from the meeting held on the 9th September 2021 and actions outstanding from earlier meetings.

Action 6, 9th September 2021, Forward Work Planner

We decided the action would remain open until the Chair had met with the HoAC to discuss the agreed approach.

Action 8, 10th December 2021, JAC Self-Assessment Action Plan

We noted the Whistleblowing Policy for the Office of the Police and Crime Commissioner (OPCC). The JAC Risk Lead advised us the policy appeared satisfactory, however, he had notified the HoAC and CEx of a few minor typos and some inconsistent language within the policy. We were advised that certain sections gave the impression that the OPCC discouraged whistleblowing. The JAC Risk Lead suggested that consideration be given to the differential cultures within organisations, particularly those with strong hierarchy such as the Force, as whistleblowing was often discouraged in those type of environments. The DPCC thanked the JAC Risk Lead for his observations and assured us that she would work with the HoAC and CEx to ensure the amendments were made. The DPCC assured us that the CC and PCC were very supportive of whistleblowers and were continuously working on developing a culture to encourage reporting of inappropriate behaviour, to ensure it can be challenged and the relevant action be taken.

Action 2, 7th October 2020, Statement of Accounts 2019/20

The CFO advised us there were three elements relating to the Statement of Accounts; simplification, standardisation and a summary of the accounts. The simplification was an ongoing issue requiring lobbying for change. It had been agreed that the accounts were at a high level of standardisation in line with other Forces, following a meeting with AW. The summary accounts were in the process of being developed using the same template as South Wales Police's (SWP). Gwent were adopting the template and a sample for the 2021/22 accounts would be presented to JAC at the following meeting, with the intention of using the template for the following financial year. We agreed this action could be closed and a

CFO

new one opened until the summary of accounts had been received for review.

Action

5. 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 OPCC for Gwent's public interest test and was deemed to be exempt from publication under section 7.

DISASTER RECOVERY UPDATE - VERBAL

6. The ACOR informed us that plans were being made to finalise Disaster Recovery arrangements in Fairwater, to enable what was to be a live connection for internet-based services. Although equipment had been purchased and plans made, it was identified during final checks that there would be limitations on the live automated switch and therefore, the initial planned arrangements had not been implemented. A further review of the design was to take place with British Telecom and the Shared Resource Services (SRS) to ensure the required specification could be met in the following year.

We were assured there are contingency plans in place to ensure a manual switchover at Blaenavon, should there be a failure of the primary system.

The ACOR informed us that the issue was discussed with the JAC ICT Lead during their meeting last week and lessons would be learned going forward. The ACOR assured us that he would update the JAC once the design review had been completed.

The JAC ICT Lead advised us that system specifications were complex and it was understandable why the planned system had not been implemented given the risks that may arise. A review of the specification for all partners involved should identify the problem and she was assured that sufficient resilience plans were in place should there be a problem in the interim.

The JAC ICT Lead emphasised the importance of ensuring that there is a robust system in place going forward by making sure the process was not fast tracked to regain lost ground.

The Chair sought confirmation that the DR risk rating should remain at medium level and we were assured that there were many counter measures established, so it was to remain at the same rating.

TO DISCUSS NEW RISKS AND CHANGES TO RISK RATINGS ON THE JOINT RISK REGISTER

7. We received and noted the Joint Risk Register.

We noted that no risks had been added to the Risk Register and ratings for current risks had remained unchanged.

It was noted that the supply chain issues on the Risk Register related to laptop and desktop supply chain issues. However, the risk assessment illustrated within the Annual Procurement report at item 11, focussed on a broader range of supply chain issues. JAC asked if the broader risk should be on listed on the Risk Register instead.

Action

The ACOR advised us that the risk report within item 11 related to a schematic review of supply issues, summarising supply issues relating to policing as a whole. An updated risk log had subsequently been issued to the Chief Officer Team for review at the Scrutiny Executive Board (SEB). However, the main issue for the Force had been due to the delay in the receipt of the laptops. They had subsequently been received in readiness for the new intake of 50 officers in January 2022. We were assured that stock levels in relation to laptops and equipment were sufficient, although finances were a risk as prices are rising. The ACOR agreed that he and the HoCI would draft a paper to capture general policing supply chain issues and those specific to the Force itself.

**ACOR/
HoCI**

The JAC Risk Lead requested an update on when the revised Risk Register could be expected. The HoCI advised us that the first draft had been developed and reviewed by the ACOR. A meeting was to take place with the external Risk training provider to address issues raised. Following that, a meeting will be held with key stakeholders to run through the process to ensure it is sufficient, with the expectation that it will be transferred to the new format by 1st February 2022

HoCI

The JAC Risk Lead advised us that the Risk Register was a comprehensive document and acknowledged that it was useful for operational purposes. However, there were improvements that could be made to tailor the register to ensure JAC members received the assurance that they required. The JAC Risk Lead apologised for not being available to attend a planned meeting to assist with the development of the Risk Register and proceeded to offer his support. It was agreed that the HoCI and CEx would meet with the JAC Risk Lead to discuss revising the Risk Register

**HoCI/
CEx**

The JAC asked who the stakeholders were in relation to the Risk Register and queried if it was possible, for each of the stakeholders to have a current (real time) version of their risks. The HoCI advised us that the stakeholders were the Chief Officers and the risk owners in the Force and Chief Officers within the OPCC. The new format would be less static, as it could provide live time access and be managed through the appropriate governance boards.

The JAC asked if there would be opportunity for any other groups to have the live time access, as opposed to a slightly out of date Risk Register. The ACOR assured us that the Chief Officers were very focussed on the criticality of risk and on occasion Gold Groups were established to ensure the appropriate mitigation was put in place at the earliest opportunity to resolve the risk.

There are currently weekly (sometimes daily) updates provided by risk owners to the ACOR and the DCC, to make sure issues of risk are monitored and addressed. The live time access will help to improve time efficiency as the Register will be updated by the risk owner and be accessible to all those with oversight of the Risk Register.

Action

The JAC ICT Lead welcomed the update on live time access and asked if it would be available to JAC, or if a copy of it could be sent securely (by Egress) before the JAC meeting. The ACOR informed us that a secure mechanism for sharing the information with external parties would be considered going forward.

The CFO informed us that live time access to the Risk Register would improve governance processes throughout the governance structure, by enabling scrutiny of live time information. He assured us that the next Annual Governance Statement would be updated to illustrate the varying levels of programme specific risk and overall joint strategic risk.

We re-opened the meeting.

INTERNAL AUDIT – (TIAA)

8. We received and noted the Internal Audit Report.

We noted the results from the survey responses in relation to the different ways of working and how organisations were planning to deliver some of their functions going forward. The Chair asked whether Gwent Police had been invited to contribute and if so, did they respond. The JAC Chair suggested that it would be beneficial to contribute to any future surveys. The ACOR agreed to ascertain if responses were sent to TIAA and to update JAC at the following meeting.

ACOR

We noted there was downward trend in the number of recommendations for the majority of the root cause indicators, indicating a reduction in risk. The JAC asked if there were specific areas of performance monitoring that could be implemented across Forces or if an overall audit of performance monitoring should be considered, as performance monitoring appeared to have the majority of the recommendations.

TIAA advised us that the root cause indicators were developed to identify areas for review by Committees and Management and also to inform TIAA's audit plan by identifying common themes. The Chair suggested this should be an action for JAC to ensure that the next audit plan reflected performance monitoring as the root cause indicators suggested.

The JAC noted there was quite a long delay between the draft issue of the audit reviews and the responses received and asked if there was an underlying problem causing the delay. The ACOR advised us there were vacancies within the Governance Team which had resulted in the delay.

Another member of staff was now undertaking the work for the interim period until the vacancy was filled.

Action

We referred to the client briefing notes and noted the Members of Parliaments' (MPs) calls for further measures on police vetting, particularly in light of the Sarah Everard case. The Chair advised us that she was assured that there were robust processes in place as she had gained an insight of the stringent process.

INTERNAL AUDIT – TORFAEN COUNTY BOROUGH COUNCIL (TCBC)

9. We received and noted the ICT digital annual report 2021/22.

The JAC asked if the fieldwork start date could be added to the report, as there appeared to be a time lapse between the planning and the testing period. The ACOR advised us that the Finance and Governance Board (FGB) had taken place this week, at which time the time lapses were discussed. This particular issue related to the 21001 EdTech audit, which was quite complex as it related to education services for the 4 Local Authority partners, who were running on a separate network. The delay had occurred as many of the schools who had been audited, had taken a long period of time to respond to issues raised.

The ACOR advised us that the planned audits summarised in quarter 1 had been concluded and reports had been issued. Those planned for quarter 2 had commenced and were at interim or the completion stage. We were assured that sufficient SRS resources had been agreed by the FGB and SRS Management for the forthcoming Identity and Access Management and Service Continuity audits in quarter 4. This would ensure that the planned audits could be concluded within the specified timeline.

We referred to the recommendation relating to all schools moving to a cost effective option of the Voice Over Internet Protocol (VOIP) system for their telephony. We queried the timeliness of the December 7th 2022 date, in order for SRS Management to raise the issue with the FGB. The ACOR confirmed that the action could be closed as it had already been raised at the FGB. As there are so many individual schools requiring individual systems, it is very complex in terms of the governance processes and difficult to standardise. However, we were assured there was a separate team who managed the education services within the SRS, so there was no impact on the work of any of the other partner organisations.

As the education services work was so complex, the JAC ICT Lead asked if the other partners involved were subsidising their costs. The ACOR assured that partner organisations were not subsidising the education services as the funding was ringfenced. All partners were providing sufficient funding for the service they were receiving.

EXTERNAL AUDIT UPDATE REPORT

Action

10. We received and noted the following reports:

a) Update Report

A Post Project Learning session is planned for the 19th January 2022. This will reflect on the lessons learnt from the four Welsh Forces, to help to identify issues that can be addressed collectively and consistently, to make sure the audit process runs effectively and efficiently at the end of this financial year.

The Audit Review of SRS had been completed and a draft document had been shared with a representative from Monmouthshire County Council. The representative has agreed to coordinate the responses from the 5 partner organisations in SRS. The responses are expected to be completed by the 17th of December 2021 and following that, the report would be finalised and circulated for review to JAC members. The report would also be presented to JAC at the following meeting in March 2022 for discussion.

AW

A clearance meeting took place this week in relation to the Collaboration of Emergency Services in Wales review and the process was expected to conclude by the 25th January 2022 deadline. The report would be circulated to JAC members and also published on the AW website for review.

AW

We received confirmation that AW had published a Fee Scales consultation on the 30th November 2021, to which the Auditor General welcomes comment by the 7th January 2022.

We noted the publications contained with the report and AW informed us there were more publications available and asked if the JAC would require a full list, or if they were happy to access them on AW website. JAC confirmed they would continue to access publications via the website.

We noted the 'Picture of Public Services, September 2021 publication' had identified 5 key areas for public service delivery, where it was expected that improvements would be made. The JAC asked if a proactive approach could be taken and a brief provided on the key areas by the PCC on how the issues were being addressed. The CFO assured us that progress had been made in relation to all of the key areas identified. The CFO and ACOR agreed to advise JAC on how the delivery could be best demonstrated.

**CFO
/ACOR**

b) Annual Audit Letter

We were advised that the Annual Audit Letter summarised the key messages and conclusions brought to JAC throughout the year around the Auditor General concluding a true and fair view of the financial

position and transactions of the Police and Crime Commissioner and the Chief Constable. It also illustrated that there were appropriate arrangements in place in order to secure value for money through use of resources.

Action

We were advised that an unqualified audit opinion was issued on 30th July 2021, confirming that the audit had been completed. We acknowledged this was an improvement on AW timeframes from the previous year.

We noted the second paragraph in the internal audit report box on Appendix 1, page 3 was to be removed. AW agreed to remove and re-issue the paper.

AW

We thanked all involved for their hard work, particularly as all parties had to adjust to new ways of working as a result of Covid19. Although efficiencies had been identified as a consequence, we acknowledged there were some issues relating to timing, as online meetings could take longer.

c) Management Letter

We noted there were nine matters arising to be carried forward into the 2021/22 Statement of Accounts end of year process. We welcomed the improvement and expected there to be a further reduction in recommendations at the following year's audit.

We acknowledged the Management Letter had improved this year and thanked all involved for their hard work.

FINANCE REPORT 2021/2022 – QUARTER 2

11. We received and noted the Finance Report 2021/2022 – Quarter 2.

The ACOR advised us that the report presented the variances to the quarter 2 position and the expected forecast outturn for the year end. There is a forecast outturn of £4m underspend against the budget. However, it was important to note that the Force start their budgeting setting from the beginning of the year and any vacancies were fully funded from 1st April, even though the roles were filled throughout the year.

The UK Government provided funding in advance for the Operational Uplift programme. Officers and staff have been recruited on a phased approach throughout the year. There are still a number of posts to be filled before the end of the year, therefore, there would be an underspend against the budget in this financial year. However, the funding would be fully absorbed in the following financial year as the posts are filled.

The aforementioned officer and staff underspends are offset by additional agency costs to manage other vacancies and overtime costs. This is in order to meet demand and to ensure the Force achieves the UK

Government's expectation of a 20% reduction in crime, which is a requirement of the Operation Uplift programme.

Action

A forecast underspend of £122k related to premises costs, which was mainly due to reduced planned activity in the first half of the year. The activities were expected to take place in the following year.

There was also a forecast underspend of £668k in relation to transport costs. There had been a reduction in travel, accommodation and subsistence costs; lower helicopter hire charges; lower vehicle costs; and reductions in other travel cost areas such as fuel. A budget setting exercise had been conducted to determine which of the transport cost saving elements were on a recurrent basis. This was to identify savings for the Force and to reduce costs against the budget for the following year.

There was also a reduction in spend for Supplies and Services, as some expected purchases had not taken place due to supply chain issues. However, there was no operational risk to the Force, as the priority purchases had been made and the supplies received.

We noted the forecast underspend in relation to Estate Scheme projects and that the property evidence store was one of the projects deferred to the following financial year. The JAC Audit Lead asked if this was linked to the ongoing issues within the evidence stores and to the request to extend the TIAA audit recommendations relating to the store.

The ACOR informed us that the deferred project related to the long-term solution of an evidential storage site, however the current sites were still fit for purpose in the interim. Although storage of evidence remains a challenge to the Force, regular focussed internal audits assisted the Force in progressing issues in this area. We were assured that progress has been made in this area by the project team.

We referred to the overtime spend and asked if any welfare implications had been identified by the Human Resources Department. The ACOR assured us that the new Electronic Time Management system enabled the Force to monitor the hours of work conducted by individual officers and staff, to ensure their hours were within the EU Working Time Directive. Overtime was managed and officers only worked a few hours extra on a sporadic basis to cover sickness and to meet demand. However, it has been identified that a minimal number of employees were working above the expected hours due to the necessity of their role, as they worked in specialised departments where there are vacant posts. We were assured that the Force were working hard to fill those vacancies.

We noted £1.4m expenditure in the first 6 months relating to other employee related costs and this was forecast to double to £2.8m in the second half of the year. We asked if there was any significant reason for the increase. The ACOR advised us that external training was a significant factor, as this had not taken place during the first half of the

year due to Covid-19 and the increase in budget would allow for the delayed training to take place. The HoF clarified that the police pension injury budget was also a key element of the increase, as payments to date stood at £800k against a budget of £1.8m.

We noted the underspend in fuel costs and asked if this was due to officers not using their vehicles, particularly as fuel prices were rising. The ACOR advised us that fuel formed part of the overall transport costs and whilst fuel costs were going up, it is offset by other transport costs as detailed within the report, including the reduction in police staff travel costs.

The JAC Accounts Lead drew our attention to the 85 outstanding invoices totalling £104k, with an outstanding debt age of 12 months and asked if the Finance Team were still focussing on ensuring payment was received. The HoF assured us the Finance Team were continuing to focus on obtaining payment of the invoices and a further resource would be available to do so, having returned from maternity leave. We noted that the 4 or 5 large items contained within the 85 invoices were of low default risk from partner agencies.

ANNUAL PROCUREMENT REPORT 2020/21

12. We received and noted the Annual Procurement Report.

The ACOR informed us that the Force has run a leading strategic alliance across Dyfed Powys and SWP Forces for the last 10 years for purchasing policing items. In early 2020 a Collaborative Integrated Joint Team was also established between Gwent and SWP.

The ACOR confirmed that 79% of procurement spend was undertaken collaboratively and there had been a total collaborative spend of £101m during 2020/21 and this had driven down costs and released efficiencies.

New professionally skilled teams had been established across Gwent and SWP in order to facilitate an efficient procurement process, to ensure compliance with contractual management arrangements and requirements. The teams have also been working on pension administration. The introduction of the teams has enabled a stepped and continuous service improvement in Gwent and in SWP.

Procurement have also been leading on ensuring supply chains are fit for purpose. The top 100 suppliers are being vetted in order to ensure they have no links with modern day slavery. In addition to this, Social Value assessments are also being introduced within the tender process, such as environmental issues, workers' rights and wellbeing.

We acknowledged the benefits of working collaboratively, particularly in terms of value for money and asked why North Wales Police (NWP) had

not participated in the alliance. The ACOR advised us that NWP had linked in with other partner agencies.

Action

We asked if there was further information in relation to environmental issues and sustainability. The ACOR informed us that a Sustainability Strategy was in the process of being completed, in which there is a 3 phased implementation plan over a 10 year period and funding has been provided within the budget.

The Chair referred to mandatory Task Force Climate-related Financial Disclosures (TCFD) for larger organisations and asked if the Force had to complete such a report and where this could feature in terms of the supply chain review. The ACOR requested a copy of the TCFD mandate from the Chair.

Chair

BUDGET SETTING UPDATE AND VALUE FOR MONEY PROFILES 2022/2023

13. We received and noted the CC's Budget Bid for 2022/2023.

The ACOR advised us that the CC's budget bid detailed the required level of funding to deliver police services for the year and it had been presented to the OPCC at the Strategy Performance Board on the 29th November 2021.

The total budgetary requirement for policing services for 2022/23 stood at £158.119m. It was based on a number of assumptions in terms of capital expenditure, savings, forthcoming inflationary challenges and borrowing costs as referenced within the report.

The 2026/27 financial gap stood at £11.388m at the end of the 5-year Medium Term Financial Plan (MTFP). Following the release of £4m of savings, there would be a deficit of £7m by 2026/27. Therefore, the CC's budget bid request was based on the assumption of a 6.82% precept level going forward as in the previous year.

The ACOR confirmed that the additional funding announced within the UK Government's Comprehensive Spending Review was not an increase of existing funding. It related to Operation Uplift costs and inflationary issues and did not encompass all inflationary pressures across the Force. We noted there was a clear expectation within the CSR that Police and Crime Commissioner's (PCCs) would increase precept to fund the gap.

The ACOR informed us that although slippage may occur in some elements of the extensive capital programme in areas, such as design or practical issues, there was a sound programme in place to ensure accuracy and deliverability overall. The extensive capital programme ensures there is a sufficient Estate infrastructure in place to support the delivery of policing services and to achieve sustainability and carbon emission targets. The UK Government provides £120k per annum to the

Force to fund capital programmes and therefore, additional local Force funding has to be set aside. There is also an additional borrowing requirement to fund the programme as indicated within the report.

The CFO advised us that the Commissioner's Office would scrutinise the bid to identify additionality of expenditure and the ability for the continuation of delivery of efficiencies, in accordance with the £52m of efficiencies that had been made previously over the course of the last 13 years. Clarification of funding from the Home Office's Provisional Settlement was expected on the 13th December 2021, which would also be a fundamental consideration during the precept decision making process. The PCC's final precept report would be presented to the Police and Crime Panel on the 28th of January 2022.

We noted a precept survey had been conducted in relation to the level of precept residents in Gwent would be willing to pay for policing services. The precept proposal is also correlated with Gwent Local Authorities and local and national Policing.

The CFO advised us that the 5 key requests from the Police and Crime Panel (PCP) Finance sub group had been incorporated within the CC's Operational Context presentation for the PCP, to demonstrate to the public:

- Return on investment - outcomes resulting from previous precept increases;
- To show an appreciation and evaluation of complex demand in different areas of the Force, such as increased demand in city or urban areas;
- Overflow demand from other Public Sector bodies;
- Existence of a robust Force Environmental Sustainability Strategy; and
- Maintenance of operational relationships with key stakeholders and elected bodies; to convey the continual narrative regarding everchanging demands upon which policing is being delivered.

The CFO reiterated that the additional cash within the CSR was ringfenced for Operation uplift, including pay awards and the 1.25% increase in national insurance contributions and therefore, it was not an addition to existing funding to pay for existing Force cost pressures. The proposed precept of 6.82% was focussed on sustainability of services in Gwent as opposed to growth.

The CFO advised us that cost pressures were unavoidable and as Reserve funding for the Capital programme exhausts during 2022/23, borrowing would be necessary to fund the programme as UK Government's capital grant provision was low at £120k.

There are a number of key risks to consider as referenced in the report including pay awards, as they could be anywhere between 2.5% and 5%.

In addition, pension strain costs resulting from the McCloud Judgement; changes to the funding formula; significant increases in inflation and interest rates; and costs relating to changes to the National Technology Programmes were all risk factors.

The Settlement would help to inform what impact the expected 5% productivity and efficiency target within the CSR would have on the Force. This is a key risk for the Force, due to uncertainty as to what the efficiencies could lead to, i.e. local cash savings for the Force or non-cashable efficiencies. There would be limited choices available in terms of finding further savings, as the UK Government had specified that Operation Uplift officer numbers and the Force's pre-Operation Uplift baseline officer establishment had to be protected. Therefore, potentially police staff roles would have to be filled by officers, which could mean losing many highly skilled staff members and front-line officers would have to be taken off the streets.

The DPCC welcomed the JAC for their oversight on the budget bid and assured us that the PCC was committed to ensuring the CC had the necessary resources to deliver a good service for the people of Gwent; and it had been specified that return on investment and the compelling case for demand must be demonstrated.

Our attention was drawn to the freeze on public sector pay announced in the 2020 CSR. The JAC asked what impact the subsequent announcement in October 2021 had had on the Force in terms of morale. The DPCC advised us that the pay freeze in 2021 had presented significant challenges for the Force from the Pay Review Body, Unison and the Police Federation, particularly as the Police did not receive a pay rise as other emergency services had.

The DPCC informed us there were significant challenges presented in setting the final precept at 6.82%. The PCC had to ensure there were sufficient resources available to deliver a good service whilst considering affordability for members of the public during a time of financial constraints. We were assured the PCC would not request more than required to meet the needs of the Force.

The CFO advised us that the UK Government had placed restrictions on English PCC's regarding the level of precept they could request, which also presented a challenge for Gwent. The CSR had stipulated English PCC's had flexibility to raise their precept by £10 per annum, as opposed to the referendum limit of 2% per annum. Therefore, it was imperative that the Force articulated why Gwent were more expensive than some of the other Forces, as the 6.82% precept request equated to a rise of just over £20 per annum. If Gwent were to fall in line with English counterparts at £10 (3.47%), there would be £2.2m less in the budget year on year.

We noted there were £548k of savings as result of the new Headquarters (HQ) build and asked if there were any further savings that could be made.

The ACOR advised us that savings had resulted from consolidation of premises allowing for some of the Force premises to close. These changes were included in the original business case for the new Headquarters, in order to release cash early for the build. The savings in the forward planner relate to the decommissioning of the old HQ and its annual running cost and also the running cost of Vantage Point House, as the Learning and Development Team were relocating to the new HQ. It was expected that the move would commence from the beginning of January 2022, with the expectation that the decommissioning of the old HQ would be taking place in April 2023.

Action

The JAC Accounts Lead acknowledged the level of detail within the report. It was suggested that additional narrative should be included at 3.1 to indicate that JAC were assured that the budget setting process had been conducted efficiently and effectively.

**CFO/
ACOR**

The JAC Accounts Lead referred to the Financial Report Quarter 2's appendix of the Medium Term Financial Plan (MTFP) 2026/2027 which indicated a deficit of £4.9m as of August and noted the budget report indicated a significant rise of the deficit to £7.1m. It was acknowledged that this was due to additional cost pressures identified in the intervening months.

The JAC Accounts Lead suggested that cross referencing of documents could be improved next year as it was difficult to relate supporting schedules to the summary MTFP. The CFO agreed to review the documents.

**ACOR/
CFO**

The JAC asked what progress had been made in relation to fund raising since the appointment of the External Funding Partnership Manager and if any of the funds had been included within the budget. The CFO advised us that a highlight report on the work undertaken had previously been shared with JAC members indicating the four elements of the Income Strategy, of which all formed part of the budget. The most significant element related to grants; a total of nearly £1.4m has been secured in 2021/22 for Safer Streets initiatives from the UK Government. The CFO suggested overlaying the work of the External Funding Partnership Manager within the Commissioning report and agreed to circulate the report to JAC members.

CFO

The JAC asked how the Force planned for unknown issues that occurred in terms of provision and contingency arrangements as 'business as usual' has changed. The CFO advised us that a £2m capacity was built into the Medium Term Financial Plan on an annual basis for the provision of future growth in policing developments. However, it was important to note that the precept was based on known growth as opposed to potential growth. The HoCI advised that the Force Management Statement provided guidance in terms of operational planning which enables the Force to forecast demand and plan accordingly by liaising with Force department leads.

Statutory Parliamentary Bills also forms part of the planning process, such as the implementation of new Crime types. A thorough assessment is undertaken to measure the anticipated impact of any changes and plans are put into place as early as possible to ensure the necessary resources are available when required. However, there are some assumptions made in Policing plans as there will always be a small element of uncertainty regarding crime.

The DPCC informed us that other partner organisations added further complexity to demand such as the Crown Prosecution Service actions, delays in Court and increases in Health and Social Care demand.

RESERVES AND COMMITTED FUNDS STRATEGY

14. We received and noted the Reserves and Committed Funds Strategy.

The CFO advised us the report was very similar to the previous year. However, there would be more focus on external borrowing in 2022/2023 and on increasing the revenue contribution to capital. This is to directly fund capital expenditure through the revenue account, funded by the precept as opposed to conventional borrowing, which has more associated risks.

TREASURY MANAGEMENT STRATEGY 2022/23

15. We received and noted the Treasury Management Strategy 2022/23.

The CFO advised us the report was very similar to the previous year apart from the economic outlook which has been updated accordingly. The Strategy was focussed on moving from an investment portfolio to a borrowing position.

The Strategy has been updated to reflect changes resulting from the international Financial Reporting Standards 16; Accounting for Leases, which will have implications for the Capital Funding Requirement (CFR) within the strategy.

The internal interest return rate benchmark of the London Interbank Offered Rate (LIBOR) has also changed to the Sterling Overnight Index Average (SONIA) benchmark rate.

We noted that the Chartered Institute of Public Finance and Accountancy (CIPFA) were launching their new Treasury Management Code in the near future. The JAC asked if there would be any impact on the Treasury Management Strategy as a result.

The CFO advised us that the new Code was expected to be published in December 2021. However, he had conducted an interim cross-referencing exercise of the expected changes against the existing Strategy and it was unlikely that the Strategy would need to be

represented to the JAC in the next meeting, as it looked compliant with the new Code.

Action

TREASURY MANAGEMENT SIX MONTH UPDATE REPORT 2021/22

16. We received and noted the Six Month Update Report 2021/22.

We were advised the return on investment was low, compounded by the approach taken in relation to security, liquidity, yield; the historically low interest rates and also the decrease in the level of reserves and committed funds available for investment.

The CFO reminded us of the two breaches that he had brought to our attention from March and May 2021, which were swiftly remedied at that time by the Finance Department.

OUTSTANDING AUDIT INSPECTION RECOMMENDATIONS

17. We received and noted the Outstanding Audit Recommendations reports.

We noted the requested extension date of 31st January 2022 in relation to the 2020/21 Performance Management Framework and asked if the date was achievable. The HoCI agreed to ascertain if the Beating Crime Plan had been cross referenced with the Framework, so that the recommendation could be finalised.

HoCI

We referred to the 2020/21 Estate Management Strategy and noted the extension of 31st March 2022 and asked if the extension could be met, given that two new recruits were to be appointed. The ACOR agreed that the extension may need to be extended further as a business case was to be submitted to the Service Improvement Board (SIB) in November 2021, with a view of advertising the posts before Christmas. However, this had been delayed as a further review of the business case was needed, prior to submission to the SIB in December 2021.

We referred to the 2020/21 Collaborative Fleet Management fuel usage audit recommendation and asked if revised changes had been made in November as planned. The ACOR informed us that he plans to review and finalise the draft policies in the near future.

We noted there were 7 TIAA audit recommendations requiring extensions and the Chair asked that consideration be given to ensuring the dates could be met but acknowledged the number overall had reduced.

The ACOR advised us that the outstanding actions relating to the TCBC audit recommendations were discussed at the recent FGB and it was agreed that SRS were making sufficient progress. The majority of the actions related to the purchase and implementation of the Security Information and Event Management (SIEM) and Security Operations

Centre (SOC) systems for the Local Authority partners and these actions would be resolved following its completion. The JAC were assured the Force had previously implemented a SIEM system, so the actions did not relate to the Force.

Action

UPDATE ON THE LESSONS LEARNED ACTION PLAN

18. We received and noted the Lessons Learned Action Plan.

The HoF advised us the report was a summary of the post project learning session both internally within the Finance Department and externally with AW.

The planned all Wales post project learning session on the 19th of January 2022 will focus on improving the year end process even further, by sharing good practice and also focussing on the standardisation and simplification of the accounts.

The mapping for the Big Red Button software was scheduled to start in December 2021 and should be completed well before the AW interim audit next year.

Discussions had taken place between SWP, Gwent Police, Capita, XPS and AW in relation to internal controls reporting for pension administration, to ensure the relevant reports would be available in a timely manner for the following year end process. AW had to obtain further assurance this year which had caused delays.

The reviewing of the working papers is an ongoing process and meetings will take place on a regular basis to streamline the way the papers are produced and schedules will be updated to reduce the duplication of queries.

The JAC Accounts lead asked if there was potential for the Cooke and Arkwright asset valuation report to be delayed, particularly given the circumstances over the last year or so. The HoF assured us a preliminary report had been requested for January 2022 on a 9 month position and any update on changes to assumptions to be confirmed at the 31st March 2022 position. This has been written into the tender and would also form part of the contract with Cooke and Arkwright.

We noted the number of actions on the lessons learnt action plan had reduced and this could be attributed to the restructure within the Finance Department of which the JAC members have been fully supportive.

COMPLIANCE WITH CODE OF ETHICS REPORT

19. We received and noted the Compliance with the Code of Ethics Report.

The ACOR informed us that the Code of Ethics has remained unchanged since 2014.

Action

We were advised there is a clear structure within the Force to ensure the Code of Ethics is embedded, as detailed within the report. Ethics Committee members attend bi-monthly meetings to discuss ethical dilemmas from across the organisation and most recently challenges such as the Sarah Everard case. There is an increase in momentum from the National Police Chiefs' Council to ensure that all Forces follow the required policing standards of behaviour and this is a key area of focus for the Force.

The JAC asked if there was provision for the general public to view the work of the Ethics Committee, as it appeared to be only on the Force intranet. The ACOR agreed to provide details of how access could be obtained.

ACOR

We noted the Ethics Committee has its own aims and objectives and asked if it conducts a self-assessment, to ascertain if it has achieved them to further improve compliance. The ACOR advised us that the Committee was established as a forum and not a statutory group in 2014 and this is something that the Force had been working on, particularly in light of the ethical issues that have been raised recently. The HoCI assured us that the JAC Committee format had been used as a template to develop the Ethics Committee further, including the introduction of an independent member to Chair the meetings. The new report format was to be presented to the JAC in March 2022.

ACOR

GWENT POLICE ANTI-FRAUD AND CORRUPTION POLICY

20. We received and noted the Gwent Police Anti-fraud and Corruption Policy.

The ACOR advised us that the policy is updated on an annual basis and links in with the Whistleblowing Policy. It demonstrates how fraud, corruption and bribery is managed within the Force.

The disclosures that police staff and officers are required to make is very clear. Vetting is also an important part of identifying areas of concern and annual vetting is conducted to capture any issues of concern. The policy provides clarity to officers and staff on what is and isn't acceptable.

The JAC asked how the Force contacted the person reporting Anti-corruption, fraud or bribery, if they were reporting it anonymously. The ACOR informed us that the information is followed up and investigated but the person cannot be contacted if they wish to remain anonymous.

The Chair asked if the anonymity factor caused a problem regarding malicious allegations. The HoCI advised us that these type of allegations were recorded appropriately and thoroughly investigated and they were very few in number.

We noted the header of the report required amendment to reflect the name of the report.

**Action
ACOR**

A JAC member asked if an officer was allowed to accept a cup of coffee that was bought for them under this policy. The ACOR stated that this was acceptable in the majority of cases and there wouldn't be a requirement to report it. However, if this was to become a regular occurrence then a declaration would be expected to the Force in order to understand the nature of the meeting and to ensure there were no other gifts being exchanged.

OPCC DATA PROTECTION ANNUAL REPORT

21. We received and noted the OPCC Data Protection Annual Report.

The CFO advised us that the HoAC was happy to respond to any comments relating to the report, as she was unable to attend the meeting today.

We were advised there had been positive feedback received from the external consultant's report for work completed by the OPCC to date, as referenced within the document. The report includes areas for progression to ensure that we comply with our statutory requirements. The HoAC has collated an action plan to address those areas which is to be presented to the OPCC Management Board in January 2022, to ensure the actions are progressed. The progression of the actions will be incorporated within the Data Protection Annual Report 2021/22 and presented to the JAC as indicated in the Forward Work Planner.

The Chair asked if there were any issues within the report that were non-compliant and could lead to fines for the OPCC and the CFO confirmed they were all low-risk issues.

The ACOR advised us that the Force completed an Annual Report on Information Governance and Assurance and this could be shared with the JAC members. We agreed it could be embedded into the action sheet for circulation.

ACOR

JAC SELF-ASSESSMENT ACTION PLAN

22. We received and noted the JAC Self-Assessment Action Plan.

The Chair acknowledged that the meeting had been conducted as planned and all items had been discussed with ease.

The JAC members requested an update on the work relating to the governance of collaborations, item 6. The CFO advised that the Welsh Police Finance and Resources Group (WPFGRG) meeting was due to take place 21st December 2021, where the collaboration register was to be discussed and a further update could be provided following the meeting.

CFO

The CFO advised us that the benefits of the collaborations were reported to the Productivity and Efficiency Board. The ACOR agreed to provide details.

**Action
ACOR**

We referred to number 7 and requested a list of external regulators and their requirements in relation to Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS). It was agreed the HoAC would recirculate an updated list or it could be embedded into the action plan.

HoAC

We agreed item 5b should remain open until the JAC Risk Lead had met with the Force.

We discussed item 5d and agreed it should remain open for monitoring purposes until March 2022, as the JAC members were to review the Audit Plan in March 2022 to monitor performance via the root cause indicators. The Chair also agreed to write up the notes from the All Wales informal JAC Committee meeting, as some elements could be incorporated within the JAC action plan.

Chair

ANY RELEVANT REPORTS FROM OTHER ORGANISATIONS THAT SHOULD BE BROUGHT TO THE ATTENTION OF THE JOINT AUDIT COMMITTEE

23. There were no other reports to bring to the attention of the JAC.

ANY OTHER BUSINESS

24. We noted the HoAC had requested confirmation from JAC members regarding a change of date for the March 2022 meeting from the 1st to 9th. The Chair asked that JAC members responded promptly in order that the date could be confirmed.

**All JAC
members**

TO IDENTIFY ANY RISKS ARISING FROM THIS MEETING

25. There were no new risks identified during the meeting apart from those noted in previous items.

The meeting concluded at 13.19