

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

**JOINT AUDIT COMMITTEE**

10 June 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)  
Mrs S Curley – Chief Executive (CEX)  
Mrs J Regan – Head of Assurance and Compliance (HoA&C)  
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 C James - (AW)  
Mrs H Cargill – (TIAA)  
Mr M Corcoran, Torfaen County Borough Council – Internal Audit (TCBC)  
Ms I Langborne – Business Performance Officer

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

The Chair congratulated the Police and Crime Commissioner (PCC) on his re-election on behalf of the members.

**APOLOGIES**

**Action**

1. Apologies for absence were received from Ms P Kelly, Chief Constable, Ms A Blakeman, Deputy Chief Constable and Ms H Williams, Audit Wales.

**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 1st March 2021 were received and confirmed.

We noted the following amendments:

Page 5, 'the Strategic Risk Register contained issues that could potentially become a risk in the future' should read 'the Strategic Risk Register contained issues that could potentially become a risk in the future and vice versa'. **Action**  
**GO**

Page 15, item 16, 'when proposing the percept' should read 'when proposing the precept' **GO**

## **ACTIONS**

4. We received and noted the actions from the meeting held on 1st March 2021 and actions outstanding from earlier meetings.

### **Action 4, 1<sup>st</sup> March 2021 External Audit**

An update was requested regarding the option for the Accounts to be inspected online as opposed to in person. Following a review of the current legislation the Audit Wales Law and Ethics Team have confirmed that it stipulates the accounts require physical inspection. The CFO planned to raise JAC's request for a change in the legislation at the Welsh Police Finance Resources Group (WPFRG) 16<sup>th</sup> June 2021.

We agreed the briefing on the Analytics Assisted Audit was not required at JAC, as the same briefing had been provided at the recent all Wales JAC training day. A follow up presentation would take place nearer the time that would impact on the Accounts in 2022/2023.

### **Action 5, 1<sup>st</sup> March 2021 Internal Audit, TIAA**

We asked if the Audit Plan had been cross referenced with the Risk Register and was advised that it should be completed by the following meeting.

The Chair informed us that Her Majesty's Inspectorate of Constabulary Fire and Rescue Services (HMICFRS) review of the Lessons Learnt during Covid would be used to assist in completion of the JAC Annual Report.

### **Action 4, 11<sup>th</sup> June 2020, Minutes**

We queried if the resulting Lessons Learnt from Covid had been received from the local Universities to share with JAC and were informed that a briefing could be circulated. **HoCI**

### **Action 1, 7<sup>th</sup> October 2020, External Audit Update Report and the Annual Audit Financial Statements – ISA260**

We agreed this item could be closed as the Cyber Resilience Report had been circulated **GO**

### **Action 3, 7<sup>th</sup> October 2020, Presentation on Evidential Property Storage**

We queried if this action should be marked as complete until the resources had been appointed to address the capacity issues, regardless of whether

business cases had been approved or not. The ACOR assured us the resources had been appointed and the action could be closed.

**Action**

**Action 2, 7<sup>th</sup> October 2020 Statement of Accounts 2019/20**

An update was requested on the simplification of the Statement of Accounts, as the existing full Statement of Accounts was very complex. The CFO highlighted the three-prong approach of 'simplification', 'standardisation' and 'summarisation'. The CFO informed us that more work needed to be done with the Chartered Institute of Public Finance and Accountancy (CIPFA) in order to simplify the accounts in general. The accounts themselves were also being standardised across Wales to ensure consistency. It was acknowledged at the WPFRG in February 2021 that standardising the Statement of Accounts on an all Wales basis would aid the production of a simplified summary of the accounts for public consumption. This piece of work was being taken forward by the South Wales Police Finance Department and was due for further discussion at the WPFRG 16<sup>th</sup> June 2021. The CFO agreed to correspond with Mr Leadbeter regarding the summary of the simplified accounts before the JAC meeting in July, to provide a further update.

**Action 8, 10<sup>th</sup> December, JAC Self-Assessment Action Plan**

We requested an update on the Whistleblowing policies. The HoAC assured us there was an accessible policy in place for the OPCC should it be required, the policy was just awaiting a general review from the Joint Legal Services, but this had been delayed due to their heavy workload as a result of Covid19; however, their workload was easing so completion of the review was expected shortly.

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 Office of the Police and Crime Commissioner for Gwent's public interest test and was deemed to be exempt from publication under section 7.

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

6. We received and noted the Joint Risk Register.

We noted JAC had previously reviewed the risks contained within the Risk Register and therefore the Chair requested that we discussed only the new risks, any changes to risk ratings, or updates relating to systemic/causal issues across the Risk Register.

JAC had commented on the Risk Management report and Risk Register outside of the meeting and a response has been provided. It was requested that the JAC's comments and the ACOR's response were noted as an annex to these minutes

We noted the risk rating had been raised from medium to high for Compliance with Welsh Language Standards risk and requested what the tolerance level of the risk was for the Force and what the expected resolution date would be. The HoCI informed us that some gaps in compliance had been identified within the Force processes. There was no provision for Welsh translation services in custody; work was ongoing to encourage Welsh translators into the Welsh Interpreters Translator Service (WITS) and the Force electronic timesheet was not available in a Welsh version; the Force were working with the supplier in order for a Welsh version to be made available. The tolerance for these risks was low, as it posed a reputational and financial risk for the Force for non-compliance with the standards. Although there was no expected completion date for the risks at present, the Force were contemplating adding the expected actions and the date for achieving the actions to the existing register when they review the Risk Register.

It was suggested that the translation service could be conducted online, as opposed to in person to address the issue. The HoCI informed us that various options had been explored but the exchange between English and Welsh needed to be simultaneous, so this was not an option. Microsoft were working on a new function to address this issue within Teams, with the assistance of the Force.

We referred to the new Welsh Language initiative being undertaken by the College of Policing and asked for further information. The HoCI advised us that the College of Policing had issued new Welsh Language Guidance to Forces across the country, highlighting the importance of Welsh Language within policing; the guidance was produced with the assistance of an Inspector who had been seconded from North Wales Police.

We acknowledged that two new risks had been added to the Register and asked what the Force tolerance levels were for each of the risks. The Recording of Crime following third party disclosures – Multi Agency Risk Assessment Conference (MARAC) (medium risk) had been identified in Gwent and in other Forces. The Force were reviewing their recording and training processes and previous MARACs to ensure all crimes had been captured in order to mitigate the risk. The Brexit risk– Right to remain and work in the UK (medium risk) related to changes to working rights; officers and staff within the Force who were born outside the country were now required to request the appropriate Visas or permits to work within the UK. The Force Human Resources Department were undertaking work in this area, to ensure compliance with the new legislation and once this work was completed, the risk rating would be reviewed. The HoCI informed us that both risks were of a low tolerance level due to the reputational risk.

We noted the risk rating had been lowered in relation to the International Organisation Standardisation (ISO) Accreditation for Forensic Medical Examinations from (high to medium) and for the Absence and Wellbeing

Management and the Police pensions McCloud Ruling from (medium to low), as mitigating action had been put in place.

**Action**

**We agreed to take item 5b 'To Provide Narrative on Risk Management Training' with item 10.**

### **RISK MANAGEMENT STRATEGY**

7. We received and noted the Risk Management Strategy.

We noted the comments raised in relation to the Risk Management Strategy in item 6 of the minutes and the HoCI agreed to consider them when reviewing the Strategy.

We referred to page 10, item 8.3 and asked that an additional comment was added to reflect that the JAC expected the internal Audit Plans (TIAA) to reflect the Risk Register.

**HoCI**

We were advised that Risk Management training was provided to the Force's Chief Officer Team and the Executive Team within the Office of the Police and Crime Commissioner (OPCC) in March 2021, by an experienced Risk Manager. The topics discussed included what Risk Management was, why it was important, how the context of risks was understood, what the Force objectives were and scenarios around risk-based decision making were also discussed.

The training provided clarity in defining that a risk was 'an uncertainty that matters'. Various topics were discussed during the training including Risk Management processes, defining objectives, assessment of the consequences of the risk, management and monitoring of the risks, Risk impact against action and control effectiveness; in the form of a Risk Dashboard and managing risk through the 4 Ts (Transferring, Tolerating, Treating and Terminating).

Any quick time changes that could be made to the existing Risk Register were also discussed such as the addition of objectives, action to be taken and the expected timeframe the actions should be expedited in order to achieve the objective.

The training has helped to determine an approach for ensuring risk management considerations better informed decision making.

**We agreed to take agenda item 10, External Audit and agenda item 11 the Draft Statement of Accounts including the Draft Joint Annual Governance Statement, Lessons Learned Action Plan and End of Year Financial Report 2020/21 next.**

**We re-opened the meeting.**

8. We received and noted the Audit Update Report.

We thanked the Finance team for their hard work as Audit Wales (AW) received the Draft Financial Statements on the 28<sup>th</sup> May 2021 and there appeared to have been a significant improvement in terms of the format and presentation in comparison to the previous year.

The Terms of Reference (ToR) had been amended for the review of collaboration of emergency services in Wales, with regards to timelines of the review. Data had been collected for the first stage of the review and was in the process of being analysed. Discussions had taken place in relation to the timelines around stage two, as reflected in the amended ToR. Interviews were due to commence at the end of May to the end of July 2021 and the final report should be concluded before the November 2021 deadline.

The revised ISA240, The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements was issued on 27<sup>th</sup> May 2021, with a proposed change to the scope of the Auditors responsibility in relation to fraud which comes into effect in the 2022/2023 audit cycle. The new standards include enhancements such as the requirement for identification and assessment of the material misstatements due to fraud and procedures to respond to risk, although AW advised us they already undertook many of the requirements, these would be specified in the updated audit report on the Financial Statements. However, AW would be revising their audit approach to ensure all elements of the ISA240 were complied with in readiness for future audit cycles.

We queried what the implications would be if the Big Red Button (BRB) formatting software contract was not renewed. The HoF advised us the BRB assisted the Finance Team by transferring the general ledger into the Financial Accounts Format and provided an audit trail for the Force but if this was not available, the department would have to adopt a different approach with the use of spreadsheets. The CFO informed us the Finance Team had assisted the supplier with the development of the BRB software by providing feedback over a three-year period and the benefits could be seen within the accounts and by CIPFA themselves. We asked if the Force had received any reduction in costs for their assistance and the CFO confirmed they had not.

We asked if the AW review of the Shared Resource Service (SRS) would be impacted by the data centre being located in the new Head quarters (HQ). The ACOR assured us that Gwent were still part of the SRS collaboration in conjunction with four Local Authorities and the collaborative agreement was in the process of being renewed for an additional 5-year period. The requirement for physical storage had reduced significantly due to virtualisation of the existing servers; apart from those required to run the Force Control Room, which would reside

within the datacentre in the new HQ. A single location in Newport was to be utilised for the other four Local Authority partners, instead of the existing four data halls. The SRS service provision would continue as normal.

**Action**

We queried whether the changes would impact on the TCBC's internal audit arrangements and the ACOR confirmed there would be no change as TCBC's internal audit would continue to review ICT delivery, the physical review of ICT would be conducted in two locations; the data centre in the new HQ for the Force and the new site in Newport for the other four Local Authority partners.

As there would be less real estate utilised for the data centres overall, we asked what impact this would have on energy usage and the Force's carbon footprint. The ACOR confirmed the energy consumption to drive the new data centre would be reduced and the disaster recovery centre built in Fairwater was also well advanced in its technological use of energy.

We referred to the purchasing of cloud-based services and asked how these services were being tested in order to mitigate security risks to the Force. The ACOR assured us there was significant testing of the cloud-based systems prior to going live in order to ensure they met Force specifications and further information in relation to the tests could be provided to the JAC ICT Lead if required.

**ACOR**

**UPDATE ON THE DRAFT STATEMENT OF ACCOUNTS INCLUDING, THE DRAFT ANNUAL GOVERNANCE STATEMENT, THE LESSONS LEARNT ACTION PLAN AND THE YEAR END FINANCIAL PERFORMANCE REPORT**

9. We received and noted the Draft Statement of Accounts including, the Draft Annual Governance Statement, the Lessons Learnt action plan and the Year End Financial Performance Report.

The CFO reminded us the JAC ToR in this area of work was to review the Statement of Accounts; to consider the External Audit report to those charged with governance; monitor the integrity of these statements compared to other performance metrics issued; and to recommend approval of the Annual Governance Statement.

The CFO thanked AW and the Finance Team for their hard work as the quality of work had improved significantly over the last couple of years since the change in structure; the introduction of the Big Red Button formatting tool; and the implementation of the Fully Integrated Resource Management System (FIRMS) software. This had been reflected in the quality and timeliness of the accounts. The Draft Statement of Accounts were submitted three days earlier than the statutory deadline, on the 28<sup>th</sup> May 2021. However, there were a few minor additions to be made as the Finance Team were awaiting information from the Pension provider and the Government Actuary Department which has subsequently been

received, the Finance Team were making the necessary adjustments. This had no bearing on the audit timeline. **Action**

The CFO thanked JAC members for the constructive comments in relation to the Draft Annual Governance Statement (AGS) and advised us that the AGS would be amended to reflect the majority of the recommendations and issued within the next week. **CFO**

The JAC Lead for Accounts offered his congratulations to the Finance Team, as the accounts had improved significantly from the previous year and this was reflected in the number of minor issues he wished to raise with the HoF and the CFO outside of the meeting. **HoF/  
CFO/JS**

The HoF advised us that all of the actions against the lessons learnt action plan had been completed. An internal and post project learning session would take place following completion of the audit process and another session with AW following that. The collective lessons learnt would be shared on an All Wales basis to ensure the process could improve further. However, the process had been much improved, particularly in terms of preparation for the year-end such as housekeeping and the clearing of historical balances.

Covid19 had not impacted on the delivery of the accounts, although there was a minor delay in the retrieval of accounting information on collaboration from South Wales Police but the information had since been provided. The Call of Audit day was set for the 9<sup>th</sup> July 2021 which was published on the Force and OPCC websites.

There were two major events during the year, Covid19; the costs 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 the 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.

The Outturn for the year is a £0.222m surplus against a revenue budget requirement of £138.991m, which would be transferred to usable reserves. Some of the useable reserves had been utilised for the Capital Programme, including the new HQ build. Liabilities had increased and was expected to increase further due to movements on pension liabilities.

We were advised that data submission issues meant that the Government Actuaries Department needed to provide a second revised IAS19 report for the final accounts. This information had subsequently been received, which has resulted in the pension liabilities figures increasing by £15.1m and the adjustments were being made.



The outstanding internal audit opinion and the reports summary for the final Annual Governance Statement (AGS) had been received and the AGS had been amended accordingly. **Action**

We referred to page 70 of the Statement of Accounts and requested the HoF review and clarify the text relating to the heading 'under Assets held for Sale' as it conflicted with the notes on the accounts, which signified that the Force do not hold any Assets held for sale. **HoF**

We referred to page 93 of the Statement of Accounts and asked the HoF to review the text in relation to the impact on pension liabilities as it was difficult to understand. **HoF**

We referred to the £0.222m surplus and noted there was a difference between the annual budget at almost £7.5m net expenditure before transfer to reserves in Appendix 1 of the Finance Performance report. The CFO advised us the difference in costs related to significant advanced grant funding from the UK Government over a period of two years, for the uplift in Officers; additional support staff costs; and the consequential costs relating to the posts such as ICT costs and vehicles etc. via 'Operation Uplift'. The grant funding was provided at the beginning of each financial year, but a phased approach has to be taken in terms of recruitment, so it was a matter of timing. The underspend would have been substantially lower, if it were possible for all of the Officers and Police Staff to have been recruited at the beginning of each year.

The ACOR informed us that funding had been moved to the reserves when setting the budget at the beginning of the year in order to support the capital programme. The WG and the UK Government had provided advanced funding for the Operation Uplift programme and there were additional in year underspends as referenced within the report due to Covid19. There had also been an increase in the usual one-off year-end funding from the WG and UK Government to cover consequential costs of Covid19, these were main factors that contributed to the surplus, which would be demonstrated in the Reserve Strategy presented at the JAC September 2021 meeting.

We noted the reference to a Treasury Management Breach on 23<sup>rd</sup> March 2021 (page 29 of the AGS) and acknowledged that the Force were not responsible for the breach. The CFO assured us that mitigating action had subsequently been put in place and Counterparties were to be contacted at 10:00am on the expected day of loan repayment to ensure that Counterparties repaid their loans on time. There was also a planned workshop with the Finance Department on 16<sup>th</sup> June to address a number of Treasury Management processes, to ensure that they were robust.

We noted there had been 61 potential or actual Data Breaches as opposed to 65 in the previous year and queried why these breaches were occurring. The ACOR informed us that the Force were more focussed on Data Breach Management since the introduction of the General Data

Protection Regulation (GDPR) and significant improvements had been made in raising awareness around the reporting of potential and actual Data Breaches such as the loss of warrant or Identity cards to access buildings; mobile phones; and body worn cameras; this enables the Force to de-activate the cards or devices quickly to prevent access to any stored data. There were no breaches requiring referral to the Information Commissioner's Office (ICO). The CFO agreed to provide further explanation in the AGS to clarify the issue.

**Action**

**CFO**

**We agreed to take agenda item 9, Internal Audit – Torfaen County Borough Council next followed by agenda item 8, Internal Audit - TIAA**

### **INTERNAL AUDIT – TORFAEN COUNTY BOROUGH COUNCIL (TCBC)**

10. We received and noted the Annual Audit Plan 2021/2022 and the Annual Report 2020/2021.

We were informed the Audit Plan 2021/2022 had commenced.

The JAC ICT Lead asked how the tender process was progressing in relation to the Security Information and Event Management (SIEM) tool and when it was expected to be implemented. The ACOR assured us the Gwent SIEM was already implemented as part of Force security requirements in accordance with the National Management Centre guidance. The responses to the tender had been received in relation to the other four Local Authority partners and an evaluation process was underway; an implementation plan would follow once the preferred company had been selected.

We requested an update on the outstanding exception log regarding the development of the revised Memorandum of Understanding, which Torfaen Borough Council were yet to action. TCBC internal audit advised us that it was expected to be completed by the end of June, however, if that was not the case, it could impact on the ICT Governance Audit. We asked what risk this would pose and TCBC assured us that the audit would be conducted, but it would have to be moved to a later date later on in the year.

We asked how the JAC could be assured that the revised dates within the Audit Plan could be achieved without any further delays. TCBC confirmed they could report the action taken against the revised dates by assessing them during follow up audits and other issues would be addressed through the Finance and Governance Board (FGB). We asked if there was anything further TCBC could do to assist in ensuring the audits went to plan, by emphasising the level of risk to SRS due to delaying the audits. We were advised that some audits had been delayed as they were awaiting decision or approval from the FGB. TCBC commended the efforts of the SRS for enabling the completion of the Audit Plan 2020/21 during Covid19.

We acknowledged that the audit results were positive in comparison to previous years and the timeframe between the field work and the issue of the audit documentation was swift. TCBC assured us that although the types of audits changed year on year, the SRS audit process had improved significantly.

**Action**

We asked what audits were undertaken to identify potential fraud and TCBC confirmed that potential fraud was considered as part of the key risks within the scope of every audit undertaken.

We acknowledged there were less planned audits this year and some were also follow-up audits. JAC welcomed this approach due to concerns they had raised in the previous year regarding the number of outstanding recommendations resulting from the high number of audits taking place.

We noted and accepted that the majority of the revised dates were delayed by approximately four months.

We thanked TCBC for providing assurance to the JAC and for demonstrating the improvements made within the Annual Report.

### **INTERNAL AUDIT – (TIAA)**

11. We received and noted the Draft Annual Internal Audit Report 2020/2021, the Update Report and the Audit Strategy and Annual Internal Audit Plan 2021/2022.

We were advised the Collaborative Strategic Resource Planning audit review had been issued with a Substantial Assurance Rating.

We noted there were three reports contained within the Update Report and the Annual report that were not listed on the agenda as being circulated; Collaborative Procurement; Collaborative Budgetary Control; and the follow-up report. We noted the follow-up had been circulated but not noted on the agenda and TIAA agreed to forward to the GO the Collaboration Reports for circulation to JAC members.

**TIAA/GO**

We noted there was one Early Action Together audit review due for issue the following week.

We acknowledged the hard work undertaken by TIAA and the good results that had been achieved by the Force, particularly during Covid19.

We referred to the Root Cause Indicator in the Update Report noting there was a downward trend in relation to Risk Mitigation and Control Compliance. The Chair asked for the Root Cause Indicator to be noted as an item for discussion at the September JAC meeting.

**GO**

We reviewed the 2021/2022 Audit Plan and were satisfied that the audits were addressing the main risk areas in year one of the Audit Plan and

following TIAA's review of the Risk Register and future Audit Plans for years two and three, this would be reviewed in the JAC meeting in September 2021.

**Action**

**GO**

## **OUTSTANDING AUDIT INSPECTION RECOMMENDATIONS**

12. We received and noted the Outstanding Audit Recommendations.

We noted many of the outstanding recommendations had been completed, however, there were six outstanding audit recommendations requiring extension of the planned completion dates; spanning between five months and up to two years from the original planned date.

The ACOR advised us that four audits had resulted in the six extension requests, two of which were relating to Local Policing – Property and cash, some of the audit recommendations had already been completed and resources had been appointed. The project team were meeting on a monthly basis in order to progress the remaining outstanding audit recommendations by the end of August 2021. Spot checks were undertaken and there were no issues of concern.

Two of the extension requests related to the Collaborative ICT Change Control including the detailed mapping of the existing inter relationship mapping arrangements. The ACOR monitors progress through the All Wales ICT Joint Group with SRS and the South Wales ICT Team and the process was expected to be completed by the end of June 2021. It had been agreed that a decision would be made at the end of March 2022 by Chief Officers on the development of a long term single shared infrastructure and support provision between Gwent and South Wales Police; or whether to continue with the current complex system following the inter relationships being mapped between Forces. The Chair asked that TIAA reviewed the recommendation prior to the September JAC meeting, to ascertain if it was still valid and should be re-phrased, or if it should be completed based on the action being taken in June 2021.

**ACOR**

The JAC ICT Lead acknowledged the complexity involved in the ICT Collaborative Change Control work and asked that an interim update was provided before the decision was made in March 2022 on the use of a long term single shared infrastructure between Gwent and South Wales Police or whether to continue with the current system.

**ACOR**

We asked if the completion of the audit recommendations were achievable by the requested shorter extension dates for the 2020/2021 Corporate Communications and Estate Management Strategy. The ACOR confirmed he expected the date to be met with regards to the Corporate Communications audit and hoped to meet the date for the Estate Management Strategy but it was dependent on the appointment of a new Head of the Shared Facilities Manager whether the Planned and Reactive Maintenance Policy and procedures had been reviewed and implemented.

**DRAFT JOINT AUDIT COMMITTEE ANNUAL REPORT INCLUDING THE TERMS OF REFERENCE COMPLIANCE AND SELF-ASSESSMENT FINDINGS 2020/21**

Action

13. We received and noted the Draft Joint Audit Committee Annual Report, including the Terms of Reference Compliance and Self-Assessment findings 2020/21.

We noted the Draft Joint Audit Committee Annual Report should be finalised by 28<sup>th</sup> July 2021 JAC meeting, following consideration of comments received from JAC members.

We referred to the JAC Action Plan and noted the following:

Action 4, Board Assurance Framework, we agreed this action should be carried forward to next year's Action Plan.

HoAC

Action 2, Audit Committee Purpose and Governance, following discussion we agreed to close the action but suggested that the question should read 'Is the role and purpose of the Audit Committee understood and accepted **by those charged with Governance** in the Force/OPCC' in next year's self-assessment.

HoAC

Action 4(a), Functions of the Committee, we agreed this action should be carried forward to next year's Action Plan.

HoAC

Action 4(b), We agreed this action should be closed.

HoAC

Action 5(a), We agreed this action should be closed.

HoAC

Action 5(b), we agreed this action should be carried forward to next year's Action Plan.

HoAC

Action 5(c), We agreed this action should be closed.

HoAC

Action 5(d), Regarding the question 'Is the Committee Satisfied the work of TIAA is properly focussed on the organisation's major risk including transformational change and collaboration?', We agreed to carry this action forward to next year's Action Plan. Following a discussion TIAA agreed to review the risk register and to advise on any gaps that should be considered within the second and third year of the Audit Plan. TIAA advised us the progress report included recommendations for changes to the Audit Plan and the requested information could also be included in the next report.

HoAC

TIAA

Action 6, We agreed to carry this action forward to next year's Action Plan

HoAC

Action 7, We agreed to carry this action forward to next year's Action Plan.

HoAC

Action 9, We agreed this action should be closed.

HoAC

Action 14(a) Membership and Support, we agreed this action should be closed. **Action HoAC**

Action 19, Effectiveness of the Committee, we agreed to carry this action forward to next year's Action Plan. **HoAC**

Action 23, We agreed to carry this action forward to next year's Action Plan. The Chair suggested the Forward Work Plan was brought to the September meeting for review. **HoAC HoAC/GO**

Action 24, We agreed to close this action as it formed part of Action 19. **HoAC**

We noted reference had been made with regards to the length of the meeting in question 26 and agreed this was due to the substantial number of agenda items discussed.

### **TREASURY MANAGEMENT ANNUAL REPORT**

14. We received and noted the Treasury Management Annual Report.

The CFO advised us there were two minor changes:

There was a minor breach caused by late repayment of a loan by a counterparty. However, mitigating action had subsequently been put in place to prevent this happening again, as counterparties were to be contacted at 10:00am on the expected day of loan repayment to ensure that counterparties repaid their loans on time. There was also a Treasury Management workshop taking place the following week to address any process issues.

A new internal bench mark rate (the Sterling Overnight Index Average (SONIA)) was being considered, in order to provide assurance on the rate of return on the Commissioner's investments. This would replace the current LIBID (London Interbank Bid) bench mark rate.

**We agreed to take agenda item 16, Any relevant reports from other organisations that should be brought to the attention of the Joint Audit Committee followed by agenda item 15, the Joint Audit Committee Training Day Update**

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

15. The PCC advised us that following the election, many new Police and Crime Commissioners had been elected in England and one in Wales and there had been a political shift in terms of the parties represented by the new Commissioners.

The aim was for Wales to follow a single public service model which would be developed further in conjunction with the WG and other partner organisations.

The OPCC were in the process of drafting the new Police and Crime Plan and many of the priorities within the existing plan would form part of the current plan, such as Victim Support Services; Community Cohesion; Effective Service Delivery; and this year the positive lessons learnt throughout Covid19 would be incorporated within the plan.

Confirmation on the Comprehensive Spending Review would provide clarity on finances and aid the decision-making process in terms of setting the precept level.

The Force was ahead of target in terms of recruiting the officers for the 'Operation Uplift' programme and there was also likely to be a further 20 Police Community Support Officer's (PCSO) recruited, funded by the WG.

The new HQ build was on schedule and the PCC advised us that he was looking forward to conducting meetings at the premises in the future.

We referred to the ministerial statement regarding the Police and Crime Commissioner's review and asked for clarity on the changes that would take place as result. The PCC advised us Ms Eleri Thomas had been re-appointed as his Deputy Police and Crime Commissioner by choice and by the next election, the role of the Deputy Police and Crime Commissioner (DPCC) would become mandatory and in addition, the changes stipulated that the DPCC would also have to be a representative of the same political party as the PCC.

The CEx confirmed that many aspects of Part One of the Review had already been enacted, such as the element relating to the increase in the information the OPCC were required to publish under the Specified Information Order, as much of the requested performance information was already being published as a matter of course. There was also a new Outcome's Framework being introduced, which focused on areas such as Homicide and knife crime; however much of this data came from other agencies and not from the Force itself. A Chief Executive Working Group was to be established to interpret the Home Office guidance, to assess what impact the Framework would have on the OPCCs in Wales.

The supplementary vote system for PCC elections was also going to be removed and a first past the post model adopted going forward.

Part Two of the review included the consultation on a 'General Power of Competence' which would align a PCC's powers to that of the Local Authorities; meaning PCCs could conduct themselves in the same way as any other individual unless legislation prohibited it.

In general terms the review focussed on the requirement for the sharing of good practice between OPCCs.

**Action**

### **JOINT AUDIT COMMITTEE TRAINING DAY UPDATE**

16. We noted that Wales Collaboration Joint Audit and Scrutiny did not form part of the recent Joint Audit Committee training day as suggested. Following a discussion, the Chair suggested that it would be useful to discuss collaborative projects (in terms of value for money and collaborative audits) via a virtual meeting with the other JACs in Wales. This would enable JACs across Wales to share their views and to gain further assurance, preferably in September or December, aside from the usual JAC meeting.

The CFO advised us that the formal JAC Training Day agenda was driven by the host Force and CIPFA who facilitated the training. He supported the suggestion of a separate meeting with JACs in Wales and suggested September would be the most suitable date, to allow a six-month gap between the formal JAC Training Day and the meeting with other JACs. The CFO agreed to take the proposal forward to the WPFRG in the following week.

**CFO**

We noted the formal Training Day would take place in March 2022 and Gwent OPCC were responsible for organising it.

### **ANY OTHER BUSINESS**

17. The following meeting dates were agreed for JAC meetings in 2022:  
1<sup>st</sup> March, 9<sup>th</sup> June, 28<sup>th</sup> July, 8<sup>th</sup> September and 8<sup>th</sup> of December.

We discussed the addition of the expected standards and principles on the front of the agenda, to which attendees were expected to comply. The HoAC advised us that the first three points would be for any Force/OPCC officers to monitor in line with existing policies/plans and to raise any issues if any should arise; the final point 'The Principles of the Code of Ethics' should be considered by all attendees. The HoAC agreed to forward a copy of the nine definitions stipulated within the Code of Ethics. However, we were advised that the Code of Ethics contained seven of the Nolan Principles which JAC members had already signed a declaration to adhere to, when they were first appointed.

**HoAC**

A request was made to remove the word 'must' from the sentence 'Attendees must ensure decisions...' and the HoAC to review the wording.

**HoAC**

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

18. There were no new risks identified during the meeting.

**The meeting concluded at 12:57**



## **Annex**

### **Reference to Item 7 – Joint Strategic Risk Management Framework**

Page 3 – Strategic and Operational Risk definitions are unclear as to the distinction drawn between these risk types. It would be helpful if it could be confirmed that relevant officers have sufficient clarity and consistency of understanding and that in totality, all material risks, irrespective of their definition, are captured, escalated and managed appropriately.

Page 7 paragraph 7.12 – Reference is made to the importance of establishing a clear position on risk appetite and the Force adopts a cautious/ medium approach, with no further explanation as to how this is interpreted or understood. From a JAC perspective, an inconsistent understanding of risk appetite reduces our ability to gain assurance that appropriate actions have been taken/ planned to be taken, to address those matters within the risk register (item 5).

Page 6 paragraphs 7.5 – 7.8 and appendix 1: As is pointed out in paragraph 7.8, assessing these 'strategic risks' requires significant judgement – more so if they are particularly broadly defined as is the case in the risk register. Gwent Police's approach involves giving a point estimate/ score, presumably in an attempt to give some sense of relativity so as to prioritise effort. Gwent Police uses inherent and residual risk scores, but it is not totally clear when the Force determine the residual risk assessment, or indeed what that means. Perhaps there is an implied target risk score which Gwent Police are aiming for, being the level of risk which they are willing to tolerate.

Appendix 1:

Risk Score/ Rating table: For identifying/ assessing risks, what time period (horizon) are the Force using, i.e. are they looking to identify risks which may potentially crystallise over the next 1,2,3 years or longer? The table seems to confuse probability and frequency. The impact definitions also seemed rather circular in nature (i.e. breaches of data... have high impact – is an illustrative example for a high impact risk). Reference is also made to 'gross risk' – is this the same as inherent risk or do the Force really mean 'gross, gross risk'?

### **Agenda Item 5 - Risk Register**

JAC are grateful for the step improvement in information over the last several meetings. JAC usually have a helpful and informed discussion with the verbal overlay providing much needed context to the papers provided. JAC doesn't need to see the risk register itself at every meeting, but rather an executive summary setting out the points below.

Risk 1 exemplifies the points (Evidential Storage -Volume).

It's not actually clear from the paperwork why the risk has arisen, (reference is made to what the issue is, i.e. capacity and potential generic consequences, i.e.

compliance breach) but not the risk cause(s), i.e. increased property seizure/ increased crime, sickness absence, poor management processes - JAC assumes that this is well understood by the officers and it's been used to inform the actions – but as JAC members we're aware of the issue/ recall the various audit reports and discussions, but are not well sighted on the cause.

Gwent Police has 2 risk scores. An initial risk analysis undertaken at an indeterminate point which has assisted in prioritising the response; then a residual risk score which confirms that the risk score was high at that point. It is therefore assumed that this score takes into account elements of the activity referenced in the latest update/ activity column. There is uncertainty around which elements have been taken into account in arriving at this score (reference is made to some future date actions), but more importantly it's still unclear as to:

- Whether actions to date have been sufficient and on track;
- What 'risk score' we're aiming to achieve;
- When do we anticipate achieving this;
- What actions are required to get us there; and
- Confidence in achievement of these actions.

JAC members want to focus on actions taken not the risk and need to know:

- The risk register is materially complete with reasonable articulations of relevant risks;
- New or changed risks are highlighted;
- There is clear single point accountability for addressing individual risks;
- There is clarity as to what the desired 'target state' is for each risk and an estimate as to when this can be achieved;
- There is a dated and meaningful action plan in place (including prospective dates) to the extent possible; and
- Slippages to date/ plan amendments or new developments (risk has morphed for example) are highlighted.

ACOR's response:

I have reviewed your comments and as you say, The Force has made in-roads on its approach to risk but remain on a journey which you have been able to so clearly articulate.

Considering your comments, I think we need to go back and review the Risk Strategy and also the risk register to actively address the points made, that will enable the Force and OPCC to make another stepped improvement in the way we manage risk.

If you are comfortable, I would be happy we capture an action from the June JAC meeting as follows:

1. Review Risk Strategy

To clarify the categorisation of operational and strategic risk;

To clearly define the Force's risk appetite (I accept that the Force seems to be comfortable with Medium and Low risks, but this is not documented/ confirmed);  
and  
Clarify probability & frequency with regard to Appendix 1.

## 2. Risk Register

Improve the explanation nature and cause of each risk e.g. increased demand, sickness absence, poor management processes;  
Clarify for each risk when the updates are provided:

- Whether actions to date have been sufficient and on track;
- What 'risk score' we're aiming to achieve;
- When do we anticipate achieving this;
- What actions are required to get us there; and
- Confidence in achievement of these actions.

I note your comments on the points the JAC Members would wish to consider in concluding assurance.