

**Meeting: Joint Audit Committee**

**Venue: Teams**

**Date: 26th July 2023**

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| **Members:** | Ms Kate Curran (KC) (Chair)  Mr Farhan Shakoor (FS)  Mr Brian Jones (BJ)  Mr David MacGregor, (DM) |
| **JAC Attendees** | Mr Dafydd Llywelyn, Police and Crime Commissioner (PCC)  Mrs Carys Morgans, Chief Executive (CEO)  Mr Edwin Harries, Director of Finance (DoF)  Ms Nicola Davies, Head of Corporate Finance (Temp) (ND)  Mr Jonathon Maddock, TIAA (JM)  Ms Eleanor Ansell, Audit Wales (EA)  Ms Lucy Evans, Audit Wales (LE)  Mr Matthew Edwards, Audit Wales (ME)  Ms Gaynor Maddox, Head of Programmes and Change (GM)  Ms Karen Davies, Senior Accountant (KD)  Mr Neil Evans, Business Manager – OPCC (NE) |
| **Apologies** | Dr Richard Lewis, Chief Constable (CC)  Mr Steve Cockwell, DCC (DCC)  Ms Beverley Peatling, Chief Finance Officer (CFO)  Insp Richard Janas, Insp – Inspection and Review (InspRJ)  Ms Dionne Collins, Risk and Business Continuity Management Advisor (DC) |
| **Declarations of Interest:** | None. |

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| ACTION SUMMARY FROM MEETING ON (2nd February 2023) | | | |
| **Action No** | **Action Summary** | **To be progressed by** | **Progress** |
| A26 | For the management comments to include the controls being introduced going forward. | TIAA/ND | Ongoing |

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| ACTION SUMMARY FROM MEETING ON (28th March 2023) | | | |
| **Action No** | **Action Summary** | **To be progressed by** | **Progress** |
| A30 | For high-risk open recommendations which have been open for a long period of time to be linked to the risk register. | GM | Ongoing |
| A31 | For the priority levels of the open recommendations to be added to future reports to help understanding. | TIAA | Complete |
| A32 | For the de-minimis level of £6,000 in the policy between capital and revenue to be reviewed. | CFO/DoF | Complete |
| A33 | For the audit on Goleudy Victim Services to be brought earlier within the audit plan. | TIAA | Ongoing |
| A34 | For the audit IT audits on business continuity and disaster recovery to be merged. | TIAA | Ongoing |
| A35 | For the revised annual report to be circulated to members for their approval. | OPCC | Complete |
| A36 | For the Corporate Governance Group to consider the process in relation to the approval of the risk appetite. |  | Ongoing |

1. **Minutes of the meeting held on 28th March 2023 2023 and Matters Arising**

FS asked when would issues relating to Information Management as discussed under Action A30 be added to the risk register for monitoring. EH noted that this should be included on the risk register but there is a plan in place to address matters.

KC noted that that the JAC workplan is required to be placed on the agenda at every meeting to allow the Committee time to consider the work plan and its requirements over the next 12 months.

KC further noted that a meeting was now overdue between the Committee and the Auditors and asked that this be progressed.

**A1 2023/24: That the JAC work plan is presented to each meeting.**

**A2 2023/24: A meeting is set up between the Committee and the Auditors.**

**D1 2023/24: The minutes of the meeting held on the 28th March 2023 were accepted as a true record by the Committee.**

1. **Terms of Reference for the Joint Audit Committee**

CEO noted that the terms of reference for the Committee have been reviewed over a period of time and there were further amendments for consideration and approval. It was noted that the document was consistent with that of the North Wales Joint Audit Committee. DM noted that wording in some areas of the document seemed impractical for example “that the JAC is to ensure that external audit is providing value for money…” It was felt that the word ensure was too strong. The CEO advised that this wording was taken from CIPFA guidance but agreed with DM. The CEO proposed to change the word ensure to oversee and this was agreed by Members.

**A3 2023/24: That the word ensure contained within the terms of reference in relation to value for money be changed to oversee.**

1. **Audit Governance Group**

ND gave an overview of the main discussions from the Audit Governance Group meeting which was held on 22nd June 2023. ND gave an overview of the audit plan 2022/2023 which is now complete. 20 audits were completed during the year and 3 have been deferred to this current year. There are currently 28 recommendations open which is a decrease over the last 18 months. There are however, estimated implantation dates in relation to the open recommendations.

The 2023/2024 plan was discussed and concerns raised in relation to the timeliness of the work that was being undertaken. Following discussions with JM this was confirmed as a resourcing issue which have since been addressed, and there is confidence that the audit plan will be delivered by the end of the period.

1. **Audit Wales ISA260 Document in relation to the 2021/2022 Accounts**

The Chair welcomed colleagues from Audit Wales and noted that it had been a long journey to get to the position of sign off of the accounts. ME agreed it was a more challenging accounts preparation than anticipated. The important aspect for the Committee to note was that once this report was agreed and the letters of representation agreed then the Auditor General will issue an unqualified opinion on the accounts which is a very positive outcome.

The Committee were advised that there is one area of potential concern to independence highlighted. Audit Wales have considered matters and the mitigation of the risk of independence being compromised and Audit Wales have complied with their ethical requirements in that respect.

The delay in the accounts centred around two key estimates contained within the accounts in relation to asset valuation and capital accounting of land and buildings.

DM queried how would the JAC monitor the recommendations and it was agreed that updates on progress against the recommendations would be presented to the Committee during the course of the year.

The Chair queried who would provide the additional training for staff around technical capital accounting? DoF confirmed this would be done internally in the main. DM queried if it was necessary to undertake full asset valuations on an annual basis as this would costly and DoF advised that the valuation is done on a rolling basis.

**A4 2023/24: That progress against the recommendations contained within the ISA260 report be reported back to the Committee.**

1. **Draft 2021/2022 Letters of Representation**

The Committee considered the letters and agreed with the content.

1. **Annual Statement of Accounts 2021/2022**

The Committee considered the report and DM queried whether 57 police officers had been recruited.I It was confirmed they had and an additional 13 had also been recruited. It was queried whether there was an update in relation on employers contributions to pensions which is potentially rising to 50%. DoF advised this had not been confirmed as yet and work is ongoing, but it is a national concern.

DM noted that within the report a grant was received for Operation Asper which was in relation to the work undertaken at Penally and queried whether we would get something similar for the work currently ongoing at the Stradey Park Hotel. EH noted that it was still unclear as to what would happen and how the costs will be covered. The PCC confirmed that the cost of the operation is being captured in readiness for a point in time when representations can be made to the Home Office for reimbursement of costs.

1. **Accounting Statements 2022/2023**

DOF Advised that the ledger is closed and balanced and the statements will be prepared from September. There was a planned underspend incorporated in the MTFP of £1.3m for 2022/3 and the final out-turn is expected to be £1.4m above that. In relation to the current year - 2023/4, currently reporting a positive position in terms of spending against budget  - despite the 7% pay award not being fully funded from budgets and grants.

**A5 2023/24: The date for the finance seminar is finalised.**

1. **Reports of the internal auditors:**
   1. **Summary Internal Controls Assurance (SICA) Report**

JM advised that the report contains information in relation to the codes of practice that are followed when organisations are audited by an external company. JM further noted that they had received a good audit report. It was also confirmed there have been no instances of fraud since the last meeting. JM advised the Committee that there was one internal audit report outstanding and this was a collaborative report in relation to the OLEO system which was due to a delay in another Force.

FS noted that there were updates required contained within the report from July 2022 and queried whether these should be added to the risk register? A further point was queried in relation to the ICT Disaster Recovery review planned for Quarter 4 and whether the Business Continuity Plan should also be included for an additional level of assurance.

JM advised that they do chase up officers for responses and will work closely with ND on this issue going forward. ND added that there was assurance that within Dyfed Powys there is a tight system in place to get comments back and the challenges generally lie with other forces. BJ stated that this should be raised at the next All Wales meeting of JAC Committees.

**A6 2023/24: Delays in receiving responses to collaborative internal audit reports from other forces to be raised at the next All Wales meeting on JAC Committees**

* 1. **Follow Up Review**

JM noted that there were 12 outstanding recommendations with revised target dates. KC noted that it was disappointing to read there are difficulties in getting evidence from officers and queried whether officers do chase to get this information. JM advised that if there is no response after second attempt then this is escalated to the Manager.

**A7 2023/24: CEO and ND to meet with TIAA to explore the detail behind the comments contained within the Follow Up report in advance of the next Audit Governance Group.**

* 1. **Collaborative Counter Fraud Procurement**

Noted that there was reasonable assurance for Dyfed Powys Police with a Priority two recommendation due to non completion of duplicate payments checks and a recommendation had been raised to address this and the duplicate payments be checked and recovered. Two further Priority three recommendations were identified in relation to a revised whistleblowing policy which has been uploaded to the website and the need to finalise the Modern Slavery Statement and Action Plan.

* 1. **Collaborative Data Quality**

Advisory review with a low level recommendation in relation to the roll out of Sharepoint and the absence of a project plan. FS queried what data is shared on share point and where is the data stored currently. The focus appears to be developing a sharepoint. DoF advised that there is an Office365 roll out occurring and a longer term strategy is in development in terms of file storage. The organisation is satisfied and assured that files are backed up and secure. The Chair noted that the deadlines appear ambitious and suggested they be looked at.

**A8 2023/24: Deadlines for the development of the long term data management strategy to be considered and amended if required.**

* 1. **Collaborative Fleet Management Strategy**

Outcome: Substantial assurance for Dyfed Powys Police with 1 Priority 3 recommendation in relation to the transition to zero emission vehicles and the estate requirements to achieve that were not included within the strategy.

* 1. **Collaborative Payroll**

Outcome: Substantial Assurance with no recommendations due to good controls being in place.

* 1. **Performance Framework for Police and Crime Plan**

JM advised that there was reasonable assurance around the framework and further advised that other forces are looking at Dyfed Powys’ methodology with a view to emulating the framework. The recommendations made were in relation to the dashboards and the need to include data form other forces to identify areas where improvement is required.

DoF made a suggestion that the Committee nominate a JAC lead on performance and that members consider attending Policing Accountability Board to see the dashboards in action. CEO advised this is an area we continue to focus on in particular in relation to strategic performance management and has been raised by HMICFRS. PCC added that the Force needs to be recognised for the work they have done in relation to performance but the strategic overview is an area which they need to concentrate on, suggesting thata data compendium was one way to take this forward.

**A9 2023/24: The JAC give consideration to having a performance lead.**

* 1. **Collaborative Fixed Assets**

Outcome: A good review with substantial assurances and recommendations around disposal procedures that was originally identified in a 2021 review that gave limited assurance so progress has been made.

* 1. **Internal Audit Report 2022/2023**

JM advised the JAC that the report is still in draft and cannot be signed off until the OLEO report previously mentioned is complete. It is unlikely that the completion of that report will impact on this overarching report that currently reports 8 substantial assurances, 7 reasonable assurances and 2 limited assurances.

1. **2023/2024 Internal Audit Plan – Progress Report**

ND advised that a lot of work has been undertaken to diarise work and that confidence is high that all audits will be completed by 31st March 2024. The Chair enquired whether there were any resources issues currently and JM advised there did not currently have any issues as additional officers had been appointed.

1. **HMICFRS Update**

GM advised that a lot of actions were marked as green but were awaiting sign off from HMICFRS. InspRJ prepares a report for each individual strategic board for line of sight. It was noted that the Stalking and Harassment actions were outstanding and has been ongoing since 2017 which was worrying as it is noted as a priority of the Chief Constable. The JAC were advised that the final report was about to be published but this area is one that will continue to be ongoing.

PCC advised that his office had undertaken a deep dive into this area but the delay in signing off the report in essence is with the HMICFRS as they take time to come back to the Force.

1. **Force Significant Corporate Risks**

GM advised that the Information Management risk has been challenged several times and further investigation will take place where the risk will be considered in depth to establish if it remains a risk and all is correct. In relation to other risks the Leads have been challenged several times to confirm that the risk remains.

In relation to Information Management investigations will be undertaken in relation to processes in an effort to make improvements. GM continued that there are some risks that are out of our control for example Health and Safety Training where decisions made by the College of Policing were impacting on the Force’s ability to deliver the training. Other options were currently being explored.

The Chair queried what work was being an undertaken in relation to IT resources. PCC confirmed that recruitment was challenging across the Board and steps are being taken to try and make it attractive to come and work for us. In addition we need to consider how we retain staff as we have seen a number leave the organisation. DoF added that the Force Review has addressed some of the structures within IT and currently there are five jobs at advert and the organisation is looking at different ways to attract prospective candidates.

The Chair queried whether there was a risk in relation to Information Management around failure to meet FOI and SARS timescales which should to be added to the risk register. GM noted that a risk register has been developed on a departmental level to record these risks.

**A10 2023/24: CEO and GM to meet to discuss the concerns in relation to Information Management and whether this should be escalated to the risk register.**

1. **OPCC Significant Risks**

NE highlighted there were two risks that remain significant. The first one being in relation to SARC centres centred around the funding model although more information would be available at the next JAC meeting as a meeting had been held recently to discuss the funding and a further meeting was due to be held in August. The Second significant risk was in relation to the Goleudy service and it remains a risk in relation to the inability to provide relevant performance data.

An additional point was raised with the Committee in relation to Police Pay Awards which is a mix of risk and issue. The risk element is due to the fact that the Police Staff Pay award has not yet been agreed but as the Police Officer award has been agreed this is an issue. The PCC noted that he sits on the Police Staff Council and the next meeting was scheduled for September and it is likely that the Staff Pay award will match the Officer Pay Award.

GM advised that whilst Goleudy is not on the Force Risk Registers it is monitored by the Force regularly.

1. **Fraud Activity**

The Committee was advised there has been no fraud activity since the last meeting.

1. **Members Update**

The Chair advised that they have attended the Strategic Estates Group recently and had raised concerns in relation to resources and in particular the Head of Estates is very knowledgeable, and the risk is the loss of knowledge should they not be around. FS advised they have attended IT groups since the last meeting and will report back in more depth at a later meeting.

**A11 2023/24: A list of meetings that JAC Members can attend be brought to the next meeting**

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| DECISIONS ARISING FROM MEETING 26th July 2023 | | |
| Decision No. | Decision Summary | Progress |
| 1 | The minutes of the meeting held on the 28th March were accepted as a true record by the Committee. | Complete |

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|  | ACTION SUMMARY FROM MEETING ON (26th July 2023) | | |
| **Action No** | **Action Summary** | **To be progressed by** | **Progress** |
| A1 | That the JAC work plan is presented to each meeting | NE | CompleteOn agenda |
| A2 | A meeting is set up between the Committee and Auditors | NE | Ongoing |
| A3 | That the word ensure contained within the terms of reference in relation to value for money be changed to oversee. | CEO | Complete |
| A4 | That progress against the recommendations contained within the ISA 260 report be reported back to the Committee | DoF | Ongoing |
| A5 | That a date for the Finance seminar be finalised | NE | Complete |
| A6 | Delays in receiving responses to collaborative internal audit reports from other forces to be raised at the next All Wales meeting on JAC Committees | Chair/CEO | Ongoing |
| A7 | CEO and ND to meet with TIAA to explore the detail behind the comments contained within the Follow Up report in advance of the next Audit Governance Group. | CEO/ND | Complete  Updates on all recommendations have been received and shared with TIAA |
| A8 | Deadlines for the development of the long term data management strategy to be considered and amended if required | DoF | Ongoing |
| A9 | The JAC give consideration to having a performance lead | CEO/Chair | Ongoing |
| A10 | CEO and GM to meet to discuss the concerns in relation to Information Management and whether this should be escalated to the risk register | CEO/GM |  |
| A11 | A list of meetings that JAC Members can attend be brought to the next meeting | NE | Complete on the agenda |