



Mae'r ddogfen hon ar gael yn Gymraeg yn ogystal â Saesneg.

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Minutes of the Joint Audit Committee
Tuesday 9th December 2014 @ 10:00 am
Strategic Command Centre, Police Headquarters

Present: Mr Alasdair Kenwright, Chair)
Mrs Ann Williams) Members of the Joint Audit Committee
Mr Gawain Evans)
Mr Malcolm MacDonald)

In attendance:

Tim Burton – Deputy Police and Crime Commissioner (DPCC)
Simon Prince – Chief Constable (CC)
Carys Morgans – Chief of Staff, OPCC (CM)
Jayne Woods – Chief Finance Officer, OPCC (JW)
Edwin Harries – Director of Finance (EH)
John Herniman – Engagement Director, WAO (JH)
Phil Pugh – Financial Audit Manager, WAO (PP)
Vicky Davies – Head of Audit, TIAA (VD)
T/Supt Chris Curtis (agenda item 11 only)
Supt Richard Lewis (agenda item 9 & 10 only)
T/Det Chief Inspector Richard Hopkin (agenda item 10 only)
Anne Williams – Support Officer, OPCC

A17 Apologies for absence

Apologies for absence were received from Christopher Salmon Police & Crime Commissioner and Samantha Gainard, Director of Legal and Compliance.

A18 Declarations of interest

There were no declarations of interest.

A19 To confirm the minutes of the meeting held on 18th September 2014

The minutes were agreed as an accurate record of the meeting.

A20 Matters arising

Under A5 the Chair advised that legal advice was still awaited. Discussions on PFI Ammanford were ongoing and an update would be provided shortly.

Under A7 JW provided clarification on the level of default highlighted in the group accounts for 2013/14 where it appeared that the percentage default levels had risen significantly. JW noted that perhaps the information currently presented is ambiguous and further work will be carried out with the aim of providing clearer information in next year's accounts. JW will work with Wales Audit to determine a way forward. It was noted that this work was being carried out as part of the Annual Accounts review process.

With Members' permission the Chair announced a change in the order of the agenda.

A21 To receive a presentation on the Force's approach to the Code of Ethics

The Code of Ethics sets out the principles and standards of behaviour that the public can expect from officers and staff at every level in policing.

T/Supt Curtis gave a presentation on Dyfed-Powys Police Force's approach to the Code of Ethics, highlighting work already undertaken and its plans to embed the Code.

The Chair raised a question on the potential composition of an Ethics Committee and whether it was appropriate to have external input. Whilst the Force welcomed a broad and informed Committee, there was further work required to ensure correct decisions were made to embed the Code throughout the service.

Members noted that progress on this work was a great step forward for the organisation and the Committee commended all aspects of the work undertaken to date.

Matters for Decision:

A22 To consider the external auditor's Annual Audit Letters for 2013/14

The Annual Audit Letter covers both the Police & Crime Commissioner and Chief Constable's 2013-14 financial statements. An unqualified opinion was issued, and it was recognised that appropriate arrangements were in place to secure economy, efficiency and effectiveness in their use of resources. Significant financial pressures remained but the Force was well placed to address these in the medium term. There were no significant issues in relation to matters of governance which needed to be brought to Members' attention. JH offered Wales Audit's support to the Joint Audit Committee if assistance was required to undertake a process of self-assessment of its own performance during the year. The Chair thanked JH for the offer, stating that a meeting had been arranged with the Chief of Staff following the committee meeting for this purpose.

The 2014 Audit Outline summarised that Wales Audit's planned performance work was to focus on crime data quality. Since HMIC was also conducting a phased inspection of crime data integrity across England and Wales, and in order to avoid any overlap with HMIC, discussions were taking place with the Police and Crime Commissioner on an appropriate way forward. A lengthy discussion ensued on the co-operation between HMIC and Wales Audit in terms of their inspection programmes. MM highlighted those areas where more in-depth scrutiny was required in the future.

Despite the difficult financial climate and challenges facing the Force JH drew attention to the level of its total usable reserves which had continued to see a significant year on year increase. There is a need to consider the level of reserves when setting the precept for the up and coming financial year.

In response to a question by GE on the allocation of reserves, JW identified plans and options available to utilise reserves suitably whilst bearing in mind the proposed significant revenue cuts in years ahead.

JH informed the Committee that due to re-allocation of work Mr Jason Garcia had been newly assigned Audit Manager for Dyfed-Powys. On behalf of the Joint Audit Committee, the Chair thanked Mr Philip Pugh for his contributions to the work of Dyfed-Powys and wished him well in his new role.

Decision: The Committee noted the Annual Audit Letter for 2013-14.

Matters for scrutiny:

A23 To consider the progress report of the Internal Auditors

The report provided an update on the Controls Assurance framework as at 2nd December 2014. Two audits had been finalised since the previous Committee meeting, namely the Interim Follow Up and Estate Management – Responsive Maintenance. VD highlighted some changes to the Annual Plan for 2014/15 in relation to the Debtors Review & Governance and Transformation Project. In relation to monitoring, performance against targets was highlighted. Progress against the Interim Annual Plan for 2014/15 was discussed in particular progress on Priority 1 recommendations and their revised completion dates. An update on Priority 1 recommendations will be given at the next meeting.

Decision: The Committee noted the summary Internal Audit Progress Report.

A24 To consider the reports of the Internal Auditors:

a) Estates Management: Responsive Maintenance

The review was awarded limited assurance. VD highlighted key findings with one Priority 1 recommendation relating to the delay in reviewing and authorising invoices for payment. Management confirmed that special measures had been put in place to address the backlog of invoices with all outstanding bills being processed in priority order with utility bills having been cleared.

In response to a question from GE, JW provided clarification on how the issues had arisen during a change in management and staffing structure. JW stated that the audit report was a fair reflection of the position and confirmed that measures were now being put in place to address the issues raised. Regular discussions were had between

the Chief Finance Officer, Director of Finance and Director of Resources to monitor the situation.

Members welcomed and commended work within the audit programme on areas of concern demanding particular support from Internal Audit.

It was confirmed that all the Priority 2 recommendations had been addressed and reviewed accordingly.

The Priority 1 recommendation encouraged a meaningful discussion around potential risks to the organisation in time of austerity ahead.

b) Interim follow-up report

The interim follow up review established the management action taken in respect of priority 1, 2 and 3 recommendations arising from the internal audit reviews listed within the report. The follow up review considered whether management action taken had addressed the control issues that gave rise to the recommendations. There had been reasonable progress with the completion of the recommendations, with 56% being implemented and a further 2% in the process of being implemented. 35% of the recommendations had been given revised target dates with realistic completion dates. 6% of the recommendations were no longer applicable. 2 of the 17 recommendations given a revised target date were priority 1 recommendations.

Decision: That the Committee note the reports of the Internal Auditors.

A25 To receive an update on Risk Management arrangements

CM provided an update on behalf of Samantha Gainard on progress with risk management within the organisation. A number of sub groups had been held across the Force and with the OPCC to inform the development of a Risk process which was due for discussion at Chief Officer Group. A Corporate Risk Register would be introduced which would be informed by a Dynamic Risk Register. The Corporate Risk Register would be presented to the Joint Audit Committee in March and thereafter on a regular basis.

Members were encouraged by this arrangement and pleased to note that risk was a standing item at both Chief Officer Group and Policing Board.

ACTION: That the Corporate Risk Register be presented at the next Joint Audit Committee meeting.

A26 To receive a report on the establishment of the Customer Relations Team

The report outlined current working practices in how the Force dealt with concerns and expressions of dissatisfaction received. There was no central repository or consistent

method of dealing with matters. As such a decision had been made by the PCC and CC to establish a new Customer Relations Team.

The Customer Relations Team will deal with the initial handling of concerns and dissatisfaction received by the Force and OPCC with a focus entirely on service recovery where issues can be dealt with immediately. The Customer Relations Team will not be handling any complaints which will remain the responsibility of the Professional Standards Team where complaints are relating to below the rank of Chief Constable.

In response to questions from Members, CM provided in-depth clarification on the roles and responsibilities of the Customer Relations Team, whose aim was to support service improvement.

In order to support the team in its inception an intensive training programme with the Professional Standards Dept was proposed to ensure that the team was equipped to deal with the wide variety of issues that would be posed to them by the public. Supt Lewis provided clarification where matters of concerns are directed straight to Police Officers. Awareness raising sessions would take place in each County at police briefings as well as through Senior Management Team meetings prior to the launch of the team to ensure internal awareness of the team's establishment and remit.

As an observation MM made reference to another organisation called 'Complaint Wales' being a valuable contact source and also referred to an useful working document 'Policy on Unacceptable Actions' by complainants. A valuable protocol document between the Ombudsman's Office and the Police Service used for review purposes was also highlighted. MM was thanked for the information which was greatly appreciated.

JH referred to organisational learning and benefits from dealing with complaints which could feed into governance arrangements and feature in future training and development. Supt Lewis made reference to the formal process of reporting through the Lessons Learnt Group.

Members were advised that the team would be referred to as the Public Service Bureau from here on in.

Decision: That the Committee note the report.

A27 To receive a presentation on the arrangements and policies in place in relation to anti-fraud and corruption strategies

Supt Lewis gave a presentation on arrangements and policies in place in relation to anti-fraud and corruption strategies. Supt Lewis made reference to the National picture on corruption driven by the report commissioned from the Home Secretary 'Without Fear or Favour'. He made reference to recent HMIC inspections in Dyfed-Powys and T/Det CI Hopkin led Members through some of the work Dyfed-Powys had specifically conducted in order to provide Members with reassurance that matters are

being actively considered. Supt Lewis summarised the report with results and areas of recommendations from the HMIC inspection which at the time was in draft format and to be shared with the Committee once formalised. Supt Lewis alluded that the report was very complimentary on the work carried out in Dyfed-Powys.

A discussion ensued and the Chair thanked Supt Lewis and T/Det CI Hopkin for their presentation.

A28 To receive an update on the Capital Programme 2014/15

The report had been prepared on the request of the Joint Audit Committee and provided an update on the main projects included in the Capital Programme for 2014/15.

Eight major projects make up £10.8m of the £13.6m capital budget for 2014/15. Progress on each of the projects was provided within the report and JW drew Members' attention to projects which were not running to budget and the reasons for setbacks.

Appendix A to the report outlined the Capital Strategy 2014/15 – 2018/19. The Capital Strategy sets out the principles that underpin the production of the Police and Crime Commissioner's forward capital programme. It showed how capital investment contributes to the delivery of the Police and Crime Plan.

Appendix B to the report provided an Outline Capital Programme 2014/15.

MM was grateful for the report which highlighted existing concerns.

DECISION: That the Committee note the report on Capital Programme 2014/15.

A29 To receive an update on HMIC activity

The report provided Members with an update on on-going HMIC activity and the outcomes from a number of recent inspections and publications.

With regard to Crime Data Integrity whilst the overall inspection report was overwhelmingly good in terms of leadership and quality of service provided, it was disappointing that Dyfed-Powys was reported in the media as a poor performing Force with poor results on crime recording. The report highlighted a number of recommendations which will be implemented and discussed at Crime Recording Management Group to agree a work plan for crime recording as a result of the report.

The report on Police Integrity and Corruption inspection had been covered and an action plan had been created and the Deputy Chief Constable was overseeing force improvements.

The Peel Inspection report had graded Dyfed-Powys Police as 'Good' in all six HMIC graded areas. It was pleasing to note that Dyfed-Powys was graded 'Good' at

investigating crime, in dealing with most prolific offenders through a joined-up approach with partners and tackling the offenders causing the greatest risk to the public.

Although the report highlighted some concerns about the Force's approach to Domestic Abuse, it recognised that good progress had been made and that Dyfed-Powys were committed to providing a good response and taking robust action against perpetrators, with good standards of investigation.

Whilst the National Child Protection Inspection report is awaited a hot de-brief had identified strengths and areas for development. Work was on-going to assess the areas for development and take action where necessary.

Future inspections include Multi Agency Public Protection Arrangements (MAPPA) and a study on Digital Crime and policing; both due in January 2015.

A discussion ensued around the Wales Audit Office Domestic Violence review which was planned for December 2014. Following discussion between the Chief Constable and the Police and Crime Commissioner it was felt that the timing of this was not appropriate following on from all the inspections the force had undertaken over the last nine months.

As highlighted in the previous meeting discussions are ongoing with HMIC around the volume of inspections and recommendations for follow up without budget. A lengthy discussion ensued around correlating inspection gradings issued against evidence within reports. Members were heartened that appropriate recommendations were of great value and were being implemented. The CC alluded to ACPO's written observation to HMIC on recommendations being costed in times of austerity and to the response received. DPCC stated that the Commissioner had written to HMI pointing out that it was the Chief Constable's responsibility to deliver to the priorities of the Police & Crime Plan.

DECISION: That the Committee note the update on HMIC activity.

A30 To receive verbal report on the minutes of the Corporate Governance Group meeting held 04.12.14

EH reported on items discussed at the meeting held on 4th December 2014. Items included:- Amendments to the Terms of Reference of the Group had been finalised; the revised Code of Corporate Governance had been discussed and accepted having previously been agreed at Policing Board; a draft process for considering Corporate Governance issues had been agreed and responsibility assigned to each member to review certain aspects of Governance; the current annual Governance Frameworks had been reviewed along with a replacement to the current Matrix being agreed; progress with embedding the Code of Ethics had been noted together with an update on Risk Management. Full minutes will be released in readiness for the next audit committee meeting.

JW and CM provided feedback from the Wales Audit office conference on Governance which was very well received and of great value. They highlighted key learning points accomplished from the conference on good governance.

Decision: That the Committee note the verbal update on the meeting of Corporate Governance 4.12.14

A31 Any Other Business

MM raised the changes in local government structures and implications and timescales involved. A discussion ensued around early discussions in Local Service Board meetings albeit there was a lot of work ahead. MM was pleased that the matter was being monitored.

The Chair announced that the next meeting was due on 17th March and closed the meeting at 12.30pm.