



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

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**Minutes of the Joint Audit Committee**  
**Tuesday 23<sup>rd</sup> June 2015 @ 10:00 am**  
**SCC, Police Headquarters**

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

**In attendance:**

Carl Langley – Deputy Chief Constable (DCC)  
Adrian Williams – Director of Resources (DoR)  
Helen Morgan-Howard – Chief of Staff, OPCC (HMH)  
Jayne Woods – Chief Finance Officer, OPCC (CFO)  
Edwin Harries – Director of Finance (DoF)  
John Herniman – Engagement Director, WAO (JH)  
Jonathan Maddock – Client Manager TIAA (JM)  
Liz Frizi – Procurement & Contracts Manager (LF)(agenda item 4 only)

Before commencement of business the Chair asked that the Committee's congratulations and best wishes be forwarded to Carys Morgans Chief of Staff on the recent birth of twins.

**A50 Apologies for absence**

Apologies for absence were received from Christopher Salmon Police & Crime Commissioner, Tim Burton Deputy Police & Crime Commissioner, Simon Prince Chief Constable, Vicky Davies TIAA and Anne Williams Support Officer.

**A51 Declarations of interest**

There were no declarations of interest.

**A52 To confirm the minutes of the meeting held on 17<sup>th</sup> March 2015**

The minutes were agreed as an accurate record of the meeting subject to a minor amendment under A36 – the letter on Audit Fees Scheme had already been circulated hence the decision was not required.

**A53 Procurement in Dyfed-Powys Police**

The Chair welcomed Liz Frizi who provided Members with a presentation on arrangements in place in Dyfed-Powys Police to ensure the Procurement of Goods, Services and Works is managed in a compliant manner to deliver value for money. LF provided an overview of procurement, focussing on: compliance with legislation and the corporate governance framework; collaboration; the local agenda; achieved outcomes, value for money and savings.

In response to Members' questions LF confirmed that European directives formed part of Public Contracts Regulations 2015. With regard to procurement much work had been done with Police Forces nationally on standardisation of police vehicles which had

delivered significant savings. Work was ongoing nationally on uniform and forensic services. Dyfed-Powys formed part of the initial regional project board that worked on the first contracts which at the time delivered savings of around 25%. Significant progress had been made since the introduction of a national specification.

The Chair thanked LF for the presentation and for the assurance provided.

#### **A54 Matters arising**

Under A35 legal advice on discretionary payments, the CFO informed Members that the matter had prolonged for a considerable time and the most appropriate and cost effective options available to the organisation were being considered in order to draw the matter to a conclusion. Members endorsed the decision and looked forward to a resolution.

The CFO confirmed that as from 19<sup>th</sup> June 2015 the Commissioner had taken ownership of Ammanford Police Station from its commercial owners resulting in the termination of the Private Finance Initiative contract.

#### **Matters for scrutiny:**

#### **A55 The Chief Finance Officer and Director of Finance's annual governance statements for 2014/15**

The CFO drew attention to an amendment within the report's recommendation. Members were asked to approve rather than consider the draft 2014/15 annual governance statements for the Commissioner and Chief Constable. There was a requirement to produce two annual governance statements to reflect arrangements in place for the Commissioner and for the Chief Constable. The Commissioner's annual governance statement will be contained within the Group accounts.

The Commissioner's annual governance statement was a statutory document which explained the processes and procedures in place to enable the Commissioner to carry out his functions effectively. The Commissioner was responsible for performing his functions as set out in the Police Reform and Social Responsibility Act 2011 and must hold the Chief Constable to account for the exercise of his functions. It ensures that a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk.

A joint Code of Corporate Governance was adopted on 1<sup>st</sup> April 2014 and is included within the Corporate Governance Framework. The CFO briefly explained arrangements for governance within the organisation undertaken by the Corporate Governance Group which is responsible for maintaining and reviewing the effectiveness of the governance framework. The group meets quarterly and considers the internal and external factors and influences which may affect the organisation. It considers whether the governance structures in place are suitable to meet the new and ever changing needs of the organisation. At the end of each financial year the corporate governance group carries out a review of the effectiveness of its governance framework including the system of

internal control. The review looks at the work carried out during the year and external opinion provided. It was important to note that for 2014/15 the Head of Audit's Annual Opinion concluded that there were adequate and effective management, control and governance processes to manage the achievement of its objectives. Also reviews of HMIC are taken into account to identify sufficient governance structure in place. The review for 2014/15 financial year concluded that governance arrangements in place were fit for purpose in accordance with guidelines with no major issues or weaknesses being identified. Certain significant issues being closely monitored and issues identified in last year's governance statement and still ongoing were noted within the report.

The Chair invited questions from Members on the Commissioner's Annual Governance Statement.

MM highlighted some typing errors and suggested some amendments and additions to provide further clarification. These were noted and agreed.

GE highlighted the outstanding Business Continuity Plan and asked for an addition within the report to look at a resolution. The Chair agreed.

The DoF briefly outlined the Chief Constable's Annual Governance Statement. The CC is responsible for maintaining the Queen's Peace and has direction and control over the Force's officers and staff. The CC holds office under the Crown, but is appointed by the PCC. He is accountable to the law for the exercise of police powers, and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the Police Force. The CC delivers operational policing in the Dyfed-Powys area in accordance with the law and to proper standards. He has a duty to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

The DoF outlined the Financial Governance Arrangements and highlighted each of the six core principles of good governance included within the CIPFA/SOLACE guidance. The review of effectiveness concluded that the governance framework was fit for purpose over the course of the year as the result of the work of the Corporate Governance Group, managers within the organisation who had responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report and comments from external audit and other review agencies and inspectorates. An increase in HMIC Inspection activity focussed on high risk operational areas providing the committee and the CC with further assurance in terms of corporate governance.

As reported within the PCC's annual governance statement, there were a number of issues which needed further work. One area in particular was the embedding of the Code of Ethics where a great deal of work was ongoing within the Force.

The Chair invited questions from Members on the Chief Constable's draft Annual Governance Statement.

MM drew attention to an omission. The CC was a corporation sole and MM requested for this to be added under Scope of Responsibility, as reported within the PCC's statement. As mentioned in discussions on the PCC's statement, reference to the Business Continuity Plan was requested to be added. These additions were agreed.

As the Committee was asked to approve both Statements the Chair questioned whether sufficient time was available for amendments and additions to be re-distributed and approved to meet deadlines.

The CFO agreed to make subsequent amendments and additions and re-circulate electronically for Members' confirmation.

In view of good governance JH made an observation with regard to the amendments and stressed a requirement for the statements to be signed in readiness of the signing of the draft statement of accounts at the end of June.

**Decision: Members approved the draft 2014/15 Annual Governance Statements for the Commissioner and Chief Constable subject to the amendments and additions being made and electronically circulated to Members for confirmation of approval.**

#### **A56 To consider the Annual Accounting Policies for 2014/15**

Members were asked to consider the draft 2014/15 Accounting Policies.

The draft Accounting Policies are presented in advance of the 2014/15 Statement of Accounts presented at the September Audit Committee meeting to allow Members the opportunity to review and consider this element of the Statement of Accounts at an earlier stage. The CFO had carried out a significant review of the Accounting Policies over the last year accounting for a small amount of changes in comparison. Changes in relation to leases had been made following a comparison with 2013/14 Statement of Accounts in other Welsh forces. Work was ongoing within the Accounting Policies to account for collaboration.

GE made an observation in relation to reducing the size of the accounts. With the agreement of WAO GE questioned whether the Accounting Policies could be referred to under a link within the accounts.

A discussion ensued on the need to provide certain information within the accounts in order to enable WAO to form an opinion. JH suggested using the foreword to the accounts in order to provide users of the accounts with a more easily digestible summary of the financial statements. MM questioned the value of a glossary of terms.

For consistency purposes within the document, minor additions within sections were requested and agreed.

The CFO provided clarification on the different Statement of Accounts and confirmed the content incorporated within the Group Statement of Accounts.

**Decision: The Committee noted the Annual Accounting Policies for 2014/15.**

**A57 To consider the 2014/15 annual report of the Internal Auditors**

JM introduced the Annual Report which sets out the outcomes of reviews carried out on the organisation's framework of governance, risk management and control. The Head of Audit's annual opinion concluded that the OPCC and the Force had adequate and effective management, control and governance processes to manage the achievement of its objectives. All set reviews within the Plan had been carried out except for the Risk Management review which had been deferred until 2015/16. Twelve reviews had been undertaken in 2014/15 and the overall assurance assessments awarded as part of those reviews was summarised. JM drew Members' attention to a new addition to the report which addressed and summarised the recommendations in terms of four key risk areas. The 2014/15 Annual Audit Plan had approved 158 days of internal audit coverage in the year, and a summary of actual against planned Internal Audit Work 2014/15 showed 146 days; the difference being the Risk Management review mentioned above and the Fleet Management review being undertaken in less days than quoted in the Plan.

The Chair remarked on the table on Assurance Assessments as being clear and beneficial.

**Decision: The Committee noted the Annual Report of the Internal Auditors.**

**A58 To consider the Summary Internal Controls Assurance Report (SICA) to June 2015**

The summary report provided an update on the Controls Assurance framework and the SICA was based on the internal audit work carried out by TIAA.

The audits carried out and finalised since the previous meeting of the JAC were listed and it was proposed that four days from the ten contingency days were to be used for a joint review with Gwent and South Wales Police of the Joint Firearms Unit.

Progress against the Annual Plan for 2014/15 showed that all the reviews had been completed and all the reports had been finalised. Progress against the Annual Plan for 2015/16 was highlighted with plans to book in all the reviews for the year whilst some dates could change due to operational or departmental needs.

Attention was drawn to the position regarding three outstanding Priority 1 recommendations made in previous Audit Reports. The original completion date of June 2013 for Business Continuity Planning had been revised to end of June 2015 and following discussions it was noted that the date had again slipped to end of September

2015. The IT systems date had also been revised to 31<sup>st</sup> August 2015 for completion. The review of Debtors originally given a completion date of 31<sup>st</sup> July 2015 had slipped to 31<sup>st</sup> August 2015 due to the training element of the recommendation.

The Chair expressed concerns at the length of time elapsed since the original agreed implementation dates of Business Continuity and IT Systems.

The DCC stressed the amount of work carried out in drawing the Business Continuity Plan prior to Public First restructure. The structures post Public First programme were very different and it was a priority area of work for completion during the year.

MM expressed his concern and referred to two examples of instances where business continuity plans had proven vital to organisations.

GE stated that if assurance could be provided to show that underlying elements of the Plan were in place it would provide the Committee with confidence. He stressed that matters had not progressed as quickly as expected.

A lot of work had been carried out on Business Continuity Planning and DoF confirmed plans built into the 2015/16 programme.

MM requested a summary of documents currently in place prior to the completion of a formalised force wide Business Continuity Plan.

The CFO sought clarification with regard to placing both Business Continuity Planning and IT systems as two Priority 1 items with extended dates on the Annual Governance Statement. Following discussion it was agreed to refer only to Business Continuity Planning.

In response to a question on the review of Debtors the DoR confirmed ongoing work to improve performance.

**Decision: To provide Members with a summary of documents in place with regard to Business Continuity and to place the matter on the September meeting agenda.**

**The Committee agreed that 4 days from the 10 contingency days be used for a joint review with Gwent and South Wales Police of the Joint Firearms Unit.**

## **A59 To consider the reports of the Internal Auditors:**

### **a) Governance – Performance Management**

The review of Governance Performance Management considered arrangements for providing assurance to the Police and Crime Panel and senior management through the use of key performance indicators and the systems used to track and manage the attainment of targets. Key findings of the review highlighted that Dyfed-Powys Police had reasonable performance management arrangements in place with meaningful performance indicators for the phone system and victims yet to be identified. The two priority 2 recommendations had been accepted by management. The DoF and DoR

confirmed the Force's acceptance of the two Priority 2 recommendations with work underway on findings.

## **b) HR Training**

The review appraised the arrangements for identifying training needs in Police staff and Officers, the procurement and monitoring of the training delivered and the assessment of the effectiveness of training received. The review was awarded reasonable assurance with six Priority 2 recommendations and key findings highlighted.

The Chair commented on the volume of work expected from personnel and questioned timely implementation deadlines.

GE asked appropriate questions in relation to the recommendations. The DoR emphasised the review had been valuable in terms of future learning and development arrangements.

## **c) Governance – Transformation Projects**

The review considered the arrangements for the governance of the Mobile Data/Digital Policing Project and assessed the effectiveness of the Project Management arrangements including the reporting and monitoring of planned and actual outcomes.

The review was awarded reasonable assurance with three priority two recommendations all of which had been agreed.

## **d) 2014/15 follow-up**

The follow up review by TIAA established the management action taken in respect of the Priority 1, 2 and 3 recommendations which arose from the internal audit reviews listed in the report. The overall outcome was summarised with 21 recommendations being implemented, 7 recommendations in the process of being completed with 12 recommendations given a revised target date, with two out of the twelve being Priority 1 recommendations. In turn 53% of the recommendations were implemented with a further 17% in the process of being implemented, and 30% of the recommendations given revised target dates. Two of the sixteen recommendations given a revised target date were priority 1 recommendations.

The DoF provided clarification in response to a question by GE on asset tracking and where applicable, the granting of a unique asset number in accordance with procedures and good practice.

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

## **A60 To receive the Minutes of the Corporate Governance Group 9<sup>th</sup> June 2015**

The minutes were circulated at the meeting and the DoF drew attention to the Group's business within.



AW questioned procedures in place for supporting and protecting whistleblowers. The DCC provided reassurance through the learning and training of supervisors and managers on whistleblowing reporting.

**Decision: That the Committee note the minutes of the Corporate Governance Group 9<sup>th</sup> June 2015.**

#### **A61 Update on HMIC activity**

The HMIC inspection regime had continued to be active with several inspections being undertaken to date. None of the inspections had formally reported back to the Force. No formal action plans or recommendations were noted.

The DoR summarised the main inspections within the report. The Firearms Licensing inspection formed a significant part of business for the Force and whilst the report was awaited general feedback received had been encouraging. The Force had significantly changed processes to be more risk based and changed a number of structures to deliver those changes.

The Peel Inspection 2015 – phase 1, Efficiency, Leadership and Legitimacy audit looked at how the Force carried out its business. It was noted that officers and staff felt that this inspection was one of the most intrusive inspections that the Force had received. The report was awaited.

The PEEL Vulnerability inspection concentrated on how effective forces were at protecting those vulnerable from harm and supporting victims. The inspection covered a broad range of vulnerability but focussed on three areas - missing and absent children, domestic abuse and child sexual exploitation. The final report was due to be published in early 2016.

The DCC confirmed no expected diminution in the level of inspections for the immediate future.

The Chair questioned the impact of HMIC inspections on day to day business.

The DCC confirmed the impact on delivery of policing of officers and staff being taken away from operational duties to cover inspections but stressed it was an issue the Government felt necessary to gain the public's confidence in policing and processes.

MM reiterated the Committee's concerns as previously expressed and a discussion ensued on the vulnerability of Welsh forces as one in four is marked for inspection whilst it is one in eight in England.

**Decision: That the Committee note the report on HMIC activity.**

## **Matters for decision**

### **A62 To consider the 2014/15 annual report of the Joint Audit Committee**

This was the second annual report of the Joint Audit Committee and the Chair sought comments on its content.

HMH noted the Committee's concern on the volume of HMIC inspections and the demand placed on the Force in key areas of focus during the year.

MM commented on the Committee's self-assessment of their effectiveness and highlighted areas of priority for the ensuing year.

GE highlighted the implementation of a Business Continuity Plan as a main priority.

JH pointed out areas of business which received limited assurance.

MM asked for an addition pointing out that Daphne Evans had resigned to take up another role within the police service in Wales.

The Chair congratulated all Members on a 100% attendance record.

Following the agreed amendments and additions being made the report would be reformatted and published on the website.

MM remarked on the difficulty in locating areas relating to JAC on the new OPCC website. The CFO agreed to discuss this matter with the Public Affairs Advisor.

**Decision: To approve the Annual Report of the Joint Audit Committee pending minor amendments and additions.**

### **A63 To appoint a new Chair to the Joint Audit Committee**

The Chair clarified that in previous years the Chair of the JAC was appointed at the September meeting. The Chair was only eligible to serve for two years. The Chair had completed his two year term of office and was consequently not eligible to re-stand. The Chair listed other responsibilities which take place in-between meetings i.e. the Corporate Governance Group which meets in advance of each JAC meeting and the JAC pre-meeting, where it would be beneficial to have an appointed Chair. The Chair invited nominations.

MM on behalf of the Committee congratulated Mr Kenwright for his work as Chair over the last two years.

A role profile for the position of Chair had been circulated to remind members of the role requirements but HMH highlighted an amendment which had not been clarified previously. This amendment included a small special responsibility allowance paid to the Chair.

GE agreed to stand as Chair if Members did not express any concern over the fact that he lived outside of Wales. Members felt this was a positive factor in providing for an independent judgement.

**Decision: That Gawain Evans be appointed Chair of the Joint Audit Committee as from 1<sup>st</sup> August 2015.**

**To circulate the revised Chair Role Profile to Members.**

**A64 Any other business**

MM made reference to a report on the 'Financial Sustainability of Police Forces in England and Wales' produced by National Audit Office. This was a vital consultation document and MM requested sight of any comments Dyfed-Powys were making on the report. JH related to some useful areas within the report and the CFO decided it worthwhile to add to the September meeting agenda.

**Next meeting 23<sup>rd</sup> September 2015**

**The meeting closed at 11.50 am.**