



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

This document is available in Welsh as well as English.

<u>Members:</u>	Mr Alasdair Kenwright (AMSK) Mr Malcolm MacDonald(MM) Mr Andre Morgan (AM)
<u>Also Present:</u>	Mrs Carys Morgans, Chief of Staff (CoS) Mrs Jayne Woods, Chief Finance Officer (CFO) Mr Edwin Harries, Director of Finance (DoF) Mr John Herniman, Engagement Director, WAO Mr Jason Garcia, Audit Manager, WAO (JG) Mr Jonathan Maddock, Client Manager, TIAA (JM) Mrs Sarah Welsby Financial Accountant Mrs Karen Davies Financial Accountant Mrs Claire Bryant, Compliance Officer (agenda item 15 only) Mr Andrew Edwards, Asst Director BSU (agenda item 16 only) Mrs Anne Williams, Business Support Officer
<u>Apologies:</u>	Mr Gawain Evans Chair, Mr Dafydd Llywelyn Police & Crime Commissioner, Mr Mark Collins Chief Constable, Ms Vicky Davies Audit Director TIAA.
<u>Declarations of Interest:</u>	None

ACTION SUMMARY FROM MEETING ON 29 th March 2017		
Action No.	Action Summary	Progress
A94 2016/17	TIAA to report on comparative work with other Welsh Forces to determine best practice.	Complete
A95 2016/17	VD to share TIAA's Client Portal with Members.	Complete
A96 2016/17	That an update on Creditor payments be provided at the next meeting.	Complete
A97 2016/17	That the CFO discuss and confirm the most appropriate method of valuating different classes of assets in the accounts with Wales Audit Office.	Complete
A98 2016/17	VD to provide the Force with the draft wording of the audit opinion in preparation of a draft Statement of Accounts.	Complete
A98 2016/17	Following amendments the report on Annual Governance Statements for 2016/17 be re-issued for further comments and amendments.	Complete

A98 2016/17	Due to a restriction on time, in relation to agenda item 5 the Chair asked Members to circulate any comments in relation to the draft Joint Audit Committee Annual report in advance of the next meeting.	
A98 2016/17	In relation to agenda Item 4 Terms of Reference for the Joint Audit Committee, Members were asked to circulate any comments in advance of the next meeting.	Complete
A98 2016/17	Members to meet in advance of the next meeting to discuss and agree outstanding items in relation to the Annual Report and Terms of Reference.	Complete
A98 2016/17	The CoS to circulate Members with actions arising from the JAC training day.	Complete

Welcome

A1 2017/18 Minutes of the meeting held on 29th March 2017 and Matters Arising

MM accepted the role of lead on HMIC matters and to attend appropriate internal meetings.

Two administrators within the Force had been provided with access to TIAA's Client Portal system. Any request to access the system could be made via the administrators.

Decision: That MM lead on HMIC matters and be invited to attend appropriate meetings.

Action: The CFO to send TIAA's Client briefings to Members electronically.

Decision: The minutes of the meeting held on 29th March 2017 were accepted as a true record.

A2 2017/18 Terms of Reference (ToR) for the Joint Audit Committee

Members had previously met to discuss the ToR and following feedback the draft ToR were presented for formal ratification. Members were content to approve.

Members thanked the CoS for the preparatory work and it was agreed to review the ToR on an annual basis to certify they were fit for purpose.

Decision: That the Terms of Reference for the Joint Audit Committee be approved and reviewed annually from here onwards.

A3 2017/18 Joint Audit Committee draft Annual Report 2016/17

Members considered the Annual Report to be more informative than in previous years.

Decision: The Annual Report 2016/17 was approved for publication.

A4 2017/18 Draft 2016/17 Letter of Representation

a) Police & Crime Commissioner

JH outlined the audit procedure as part of the closure of accounts. Full access had been given to information with one uncorrected misstatement highlighted. JH provided Members with a detailed explanation on the uncorrected misstatement, and a management decision not to amend the accounts due to its materiality which did not affect the unqualified opinion of the accounts.

MM questioned any impact and difficulties from the uncorrected misstatement on next year's accounts. In response JH satisfied Members of the position and provided Members with clarification of their responsibilities of the process to recommend the Accounts and Letter of Representation to the PCC and CC for signature.

Decision: The draft Letter of Representation of the Police and Crime Commissioner was approved for signature by the appropriate signatories.

b) Chief Constable

The content of the Letter was similar to the PCC's Letter except for the uncorrected misstatement.

There were no further questions in relation to the Chief Constable's Letter of Representation.

Decision: The draft Letter of Representation of the Chief Constable was approved for signature by the appropriate signatories.

A5 2017/18 Management's response to the audit enquiries on arrangements for the prevention and detection of fraud.

JH outlined the requirements in accordance with the International Standards on Auditing (ISAs) and briefly explained the areas of governance where views were sought and consideration given to matters. MM questioned certain aspects of the content and whether the content was being used for other purposes. AM made a suggestion on the layout to aid ease of reading.

Decision: Members were in agreement with management's response to the audit enquiries to those charged with governance and management.

A6 2017/18 Wales Audit Office of 2016/17 Financial Statements Report and Management Letter

The report provided an opinion on whether the financial statements of the Police and Crime Commissioner and the Chief Constable for Dyfed-Powys gave a true and fair view of their financial position as at 31st March 2017 and of their income and expenditure for the year.

The timing of the report provided a very positive reflection of the work undertaken during the pilot year to meet the earlier deadlines on the closure of accounts. The pilot highlighted learning processes for the Force and WAO to look at areas for improvement and any necessary process change. An early review of the draft accounts had proved successful in providing an opportunity to highlight and address any issues at an early stage.

JH had previously referred to the uncorrected misstatement and issued an unqualified opinion subject to the accounts for approval.

The Chair on behalf of the Joint Audit Committee wished to record their gratitude to the Finance Team for their significant achievement on early completion of the accounts. Similarly, Members of the Joint Audit Committee paid compliments to WAO for their work to assist with early closure.

Members referred to minor amendments required within the accounts.

In Appendix 5, MM questioned the non-disclosure of the two narrative adjustments made to the Annual Governance Statement as Members had a responsibility to ensure the Statement's accuracy. In response JG reassured Members by outlining the minor amendments involved.

Decision: That the Financial Statements Report and Management Letter be noted.

A7 2017/18 Draft Annual Statement of Accounts for 2016/17

a) Group Accounts

The CFO introduced the Group Accounts and referred to the helpful narrative report which highlighted the most significant matters reported in the accounts along with an explanation of the potential impact of the current economic climate on the services provided by the PCC and CC for Dyfed-Powys.

Members had previously met at a Finance Seminar to discuss the draft accounts in some detail. Members wished to record that the Finance Seminar had proved most informative and was an extremely valuable part of the process which hopefully would be repeated in future years. Members also felt the Narrative Report was well written and clearly worded.

In relation to page 9 of the report, AM asked for updates on the delays in IT upgrades and to the registration of buildings with the Land Registry. The CFO referred to previous problematic issues with Land Registry and provided an explanation on the situation to date.

The DoF explained that delays in delivering numerous IT and other strategic projects were delays from a value for money perspective as opposed to project management delays.

In relation to Land Registry, Members offered assistance which may support the process in future.

Decision: The draft Statement of Accounts (Group Accounts) 2016/17 be approved for signature.

b) Chief Constable Accounts

The DoF referred to the valuable and positive discussion which took place at the Finance Seminar on the accounts. Most of the key points within the Narrative Report had been discussed and the DoF welcomed any questions on the draft accounts.

AM complimented the useful detail within the Core Principles of Good Governance.

Decision: The draft Chief Constable's Statement of Accounts (Single Entity) 2016/17 be approved for signature.

A8 2017/18 The 2016/17 Internal Audit Report

The annual internal audit report summarised the outcomes of reviews carried out on the organisation's framework of governance, risk management and control. The report was designed to support the Annual Governance Statement.

JM summarised the content of the report and highlighted the Head of Internal Audit's Annual Opinion where sufficient internal audit work had been undertaken to allow for a reasonable conclusion as to the adequacy and effectiveness of Dyfed-Powys Police's risk management, control and governance processes. Also an opinion that the Police and Crime Commissioner and Chief Constable for Dyfed-Powys Police had adequate and effective management, control and governance processes to manage the achievement of its objectives.

MM questioned the content of the first sentence within the Annual Opinion and whether reference should also be made to the the PCC's risk management, control and governance processes?

A discussion took place on whether this statement was included in any other documents which required closer examination.

It was agreed that no changes would be made to this year's Internal Audit Report but JM agreed to bring it to Vicky Davies' attention.

Decision: To note the 2016/17 Internal Audit report.

There were no members of the public present and the Chair agreed to discuss items which were Exempt from the public.

A9 2017/18 Internal Audit Annual Plan comparison report EXEMPT

The document was the collation of the Internal Audit Strategic and Annual Plans for the four Welsh Police and Crime Commissioners and Chief Constables.

It was the intention to provide comparator data and information where appropriate and to conduct joint reviews where beneficial. The report was to provide information of the planned work at all four organisations and used as a starting point for discussion of jointly beneficial reviews.

Members and Officers were appreciative of having sight of the Comparison report and asked appropriate questions and made relevant observations on certain aspects of the content.

Decision: To note the report and to refer to the report at an appropriate time when reviewing Internal Audit programme for the following year.

A10 2017/18 Progress report of the Internal Auditors (SICA) 2017/18

The summary provided the Audit Committee with an update on the progress of internal work at Dyfed-Powys Police as at 13th July 2017. There was one change proposed to the Annual Plan. Senior Management had requested a review of compliance with the Welsh Language Standards. This was to replace the Board Assurance Framework review as the organisation had not formally adopted or commenced work on the assurance framework to date.

An update on the two Priority 1 recommendations showed that the majority of duplicate payments had been recovered. The recommendation to advise Insurance Brokers of the Aberystwyth mast site had been implemented.

In response to a question, JM provided Members with an update on ICT Network Security.

Members highlighted the delay in receiving a draft report on Firearms Licensing which was scheduled for 12th June. A reminder would be sent to highlight the outstanding report and the Committee's decision to invite appropriate staff to a meeting for explanation.

In relation to a proposed change to the Annual Plan, the CFO highlighted the addition of a review of compliance with the Welsh Language Standards and the Committee's requirement to approve any such change to the originally agreed Plan. It was noted that this change would not affect the overall number of days within the Plan.

In relation to the availability of WAO reports, MM questioned any mechanisms in place for this process. JH confirmed that any applicable reports would be brought to Members' attention.

Decision: Members agreed a formal change in the Annual Plan to include a review of compliance with the Welsh Language Standards

A11 2017/18 Internal Auditors Reviews

a) Vetting Arrangements

The review assessed compliance with the internal vetting policy. The review awarded reasonable assurance with three Priority 2 recommendations, three routine Priority 3 and three operational recommendations.

JM referred to the Priority 2 recommendations which highlighted a backlog of workforce who do not hold up-to-date security clearance and no process in place to effectively manage persons with expired Non-Police Personnel Vetting who require renewal. It was noted that an increase in FTE staff to deal with this vetting workload backlog would assist in meeting the target implementation date of January 2019. There was no process in place to inform sponsors in advance of clearances that were due to expire and a target date for implementation was set at end of December 2017.

JM briefly summarised a Priority 3 recommendation to look at options available to enhance the current Vetting Database and to submit a business plan after all options had been explored. As a performance measure the number of outstanding expired or not-up-to-date security clearances was to be reported in Performance Reports at Police Accountability Board in order to provide assurance of compliance with the National Vetting Policy.

In relation to the vetting clearance backlog MM questioned the distant target implementation date of January 2019 and enquired whether a comparison with other Forces was available. JM alluded to a comparison with two other Forces and the January 2019 date being a target completion date set by HMIC but work was expected to be completed in advance of this date. MM highlighted this as a risk to the organisation and the requirement for it to be included on the risk register.

A discussion followed on the staffing increase within the Vetting Unit with plans to prioritise the order of processing the backlog in order to mitigate any risk.

Members considered it prudent to receive a progress reports in due course.

Decision: To provide Members with a progress report on the Vetting backlog at a future meeting.

b) Governance – Collaboration Arrangements

The review considered the effectiveness of the governance arrangements for internally managing collaborative projects. The review awarded reasonable assurance with one Priority 1 and one Priority 3 recommendations.

The Force was in the process of implementing a new governance structure which was in its infancy at the time of the review.

A Force Collaboration Board had been established as part of the new meeting structure. The Board was to report to a Futures Board which was yet to meet.

In addition to the Police and Crime Plan and subsequent Delivery Plan, a joint Collaboration Strategy had been developed to set out the principles for the Force entering into collaborative opportunities.

MM emphasised the benefits of his attendance at Corporate Governance Group meetings and asked for copies of the new governance structure to be distributed to JAC members for information when available.

As all Welsh Forces had the same internal auditors the CoS highlighted the value of looking at potential internal audit work on collaboration arrangements and a proposal from this Committee to raise this matter at a future meeting of the All Wales Policing Group.

Action: Members to be sent a copy of the new governance structure when available.

Action: To include a discussion on Collaboration arrangements on the agenda of a future meeting of the All Wales Policing Group.

c) HR Management – Learning and Development Arrangements

The review considered the arrangements for determining the learning and development requirements, the monitoring arrangements and reporting to Boards. The review awarded reasonable assurance with one Priority 2 recommendation highlighting the need for an overall Policy and Procedures document to be formulated by the Learning & Development Department. One Priority 3 recommendation was for the Strategic Learning & Development People's Board to meet on a quarterly basis to ensure regular monitoring of performance against the Costed Training Plan. Both recommendations had been accepted. A significant improvement had been made since the previous review three years previously.

AM made an observation on the overspend on the training budget and control measures for Managers for the approval of training requests. The DoF clarified the process and scrutiny involved with the training budget.

d) Fleet Management – Repairs and Maintenance

The review considered the effectiveness of the arrangement for the management of the fleet of vehicles used by the Force and the Police and Crime Commissioner's Office. The review awarded reasonable assurance with three Priority 2, two Priority 3 and three operational recommendations.

The Vehicles Fleet Strategy and the Vehicles Replacement Strategy had both since been updated. In relation to vehicles identified as overdue for servicing, a new system had already been implemented to notify staff of this requirement. Members questioned the capabilities of Tranman and the sample of vehicles reviewed. Issues relating from the Tranman system would hopefully improve following an upgrade to the system.

Decision: To note the reviews of Internal Auditors.

A12 2017/18 Force and OPCC Corporate Risk Registers EXEMPT

a) Force Corporate Risk Register

The DoF summarised the key areas of risk identified on the report.

Members were encouraged at the level areas of risk were being managed.

The Chair questioned the auditors on the areas of risk considered when conducting their audit work. JM confirmed that risk was taken into consideration in every review and avenue of their work. JG commented on the hugely detailed report and suggested Members prioritise certain risks at JAC meetings on a rolling programme and invite owners or risk to attend meetings to discuss how risk was being mitigated.

A discussion ensued on whether to include risk as a standing item on agendas. AM felt it worthwhile for Members to discuss in more detail and appreciated the opportunity to be sighted of the full risk register.

In order to assist Members with decision making, the CoS suggested that a discussion be ensued following the agenda item on 'Supportive Scrutiny Processes'.

Decision: To note the Force Risk Register.

b) OPCC Corporate Risk Register

CB highlighted the key risks covered within the Register with the main items being around scrutiny work and how the Office supports the Commissioner in fully exercising his duties.

Decision: To note the OPCC Corporate Risk Register.

A13 2017/18 Input on the OPCC risk and supportive scrutiny processes

CB circulated two documents for Members' attention and gave a presentation on Supportive Scrutiny processes. The processes were in their infancy and would evolve and be reviewed in six months.

The CoS referred to changes which were being introduced to ensure that scrutiny undertaken by the Commissioner was risk based, focussed and added value to the Force.

The terms of reference of Policing Board and Police Accountability Board had been adapted to take a thematic approach to cover issues of considerable significance to assist the Commissioner with his scrutiny responsibilities.

Members asked appropriate questions in relation to the Scrutiny Focus Pick and Sand checklist.

Members felt this was a beneficial development and requested a progress report in six months' time.

A lengthy discussion ensued on the best approach for Members to usefully explore and scrutinise all areas of risk. There was scope at the September JAC meeting but MM expressed his concern on the time element involved if presentations were included as agenda items.

The CoS questioned whether Members wished to suggest a topic of risk for consideration in the next meeting. MM asked for a reminder to be sent to Members prior to the next meeting in order to choose a particular area of risk for discussion.

CB was thanked for the presentation and left the meeting at this point.

Action: A report on the scrutiny process to be provided to Members in six months.

ACTION: A reminder to be sent to Members to determine an area of risk to scrutinise at the next meeting.

A14 2017/18 Payment Statistics

Following introductions Andrew Edwards provided a brief overview of the report which outlined the recommendations of the internal audit report for the Creditors function in 2016/17, the work carried out to improve areas and the impact on time take to process invoices.

Members made observations and asked relevant questions on particular areas within the content of the report. In answer to a question on Direct Debits, AE agreed to ascertain an answer and feed back to Members in due course. Reference was made to the three day business improvement event and a discussion on the capabilities of the ABW system in relation to duplicate invoices. AE offered to circulate to Members the business paper for the event to show the depth of scrutiny undertaken to improve areas of business. Members were reassured by the detail within the report and AE was thanked for his presentation.

AE left the meeting at this point

Decision: Members noted the report on payment statistics.

A15 2017/18 Minutes of Corporate Governance Group meeting 12th June 2017

The DoF summarised areas within the Minutes and drew attention to one correction - Policing Accountability Board to be amended to Police Accountability Board.

MM recognised a challenging year where there had been a lot of changes in relation to new guidance and thanked all involved for their hard work.

An official announcement on the funding formula was still awaited. The DoF considered the prospects of any change in 2018/19 to be remote given that the Home Office had not yet commenced a consultation on this matter.

Decision: The Committee noted the minutes of the Corporate Governance Group held on 12th June 2017

A16 2017/18 Any other business

Following consultation with Members, at a meeting of Policing Board the Chief Constable and Police & Crime Commissioner approved the extension of TIAA's contract by a further twelve months.

Decision: To formally note the decision made in Policing Board to approve the extension to TIAA's contract by a further twelve months.

A recruitment process for Members of the Joint Audit Committee was to commence shortly. There was a proposal to extend the current term of office of two existing Members by a further meeting. This was to allow sufficient time to complete the process and enable any new Members to shadow a meeting. The CoS confirmed the decision to look at a Committee which comprised of up to five members.

The CFO informed Members of a CIPFA development day for Police Audit Committees to be held in London and York and invited expressions of interest.

MM questioned the possibility of either CIPFA arranging a similar day in Wales or for an in-house training day and to include the four Welsh Forces. Some Members had previously attended CIPFA training events and it was agreed to ascertain previous content in order to determine any value.

Action: The CFO to forward details of the CIPFA development day to Members for consideration.

Action: To ascertain the content of previous CIPFA training events.

The CFO drew attention to an on-line WAO consultation on 'Simplifying the Fee Regime'. A closing deadline was noted if Members were interested in participating.

The meeting closed at 12.25pm

Date of next meeting: 19th September 2017

DECISIONS ARISING FROM MEETING 25th July 2017		
Decision N^o	Decision Summary	To be progressed by
D1 2017/18	That MM lead on HMIC matters and be invited to attend appropriate meetings.	Force
D1 2017/18	The minutes of the meeting held on 25th March 2017 were accepted as a true record.	Complete
D2 2017/18	That the Terms of Reference for the Joint Audit committee be approved and reviewed annually from here onwards.	Members
D3 2017/18	The Annual Report 2016/17 was approved for publication.	Complete
D4 2017/18	The draft Letter of Representation of the Police and Crime Commissioner was approved for signature by the appropriate signatories.	Complete
D4 2017/18	The draft Letter of Representation of	Complete

	the Chief Constable was approved for signature by the appropriate signatories.	
D5 2017/18	Members were in agreement with management's response to the audit enquiries to those charged with governance and management.	Complete
D6 2017/18	That the Financial Statements Report and Management Letter be noted.	Complete
D7 2017/18	The draft Statement of Accounts (Group Accounts) 2016/17 be approved for signature.	Complete
D8 2017/18	To note the 2016/17 Internal Audit report.	Complete
D9 2017/18	To note the report and to refer to the report at an appropriate time when reviewing Internal Audit programme for the following year.	Members
D10 2017/18	To agree a formal change in the Annual Plan to include a review of compliance with the Welsh Language Standards.	Complete
D11 2017/18	To provide Members with a progress report on the Vetting backlog at a future meeting.	Force
D11 2017/18	To note the reviews of Internal Auditors.	Complete
D12 2017/18	To note the Force Risk Register.	Complete
D12 2017/18	To note the OPCC Corporate Risk Register.	Complete
D14 2017/18	Members noted the report on payment statistics.	Complete
D15 2017/18	The Committee noted the minutes of the corporate Governance Group held on 12 th June 2017.	Complete
D16 2017/18	To formally note the decision made in Policing Board to approve the extension to TIAA's contract by a further twelve months.	Complete

ACTION SUMMARY FROM MEETING ON 25th July 2017		
Action N^o	Action Summary	To be progressed by
A1 2017/18	The CFO to send TIAA's client briefings electronically to Members.	CFO
A11 2017/18	Members to be sent a copy of the new governance structure when available.	DoF
A11 2017/18	To include a discussion on Collaboration arrangements on the agenda of a future meeting of the All Wales Policing Group.	CoS
A13 2017/18	A report on the scrutiny process to be provided to members in six months.	CoS
A13 2017/18	A reminder to be sent to Members to determine an area of risk to scrutinise at the next meeting.	CoS
A16 2017/18	The CFO to forward details of the CIPFA development day to Members for consideration.	CFO
A16 2017/18	To ascertain the content of previous CIPFA training events.	CFO