



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 Malcolm MacDonald (MM) Mr Martin Evans (ME) Mr Andre Morgan (AM)
<u>Also Present:</u>	Mr Dafydd Llywelyn Police & Crime Commissioner (PCC) Mr Mark Collins, Chief Constable (CC) Mrs Carys Morgans, Chief of Staff (CoS) Ms Beverley Peatling, Chief Finance Officer (CFO) Mr Edwin Harries, Director of Finance (DoF) Mr Jason Blewitt, Audit Manager (WAO) (JB) Mr Clive FitzGerald, Director of Audit (TIAA) (CF) Ms Karen Davies (DPP) (KD) Ms Sarah Welsby (DPP) (SW) Miss Caryl Bond, OPCC Assurance Support Officer
<u>Apologies:</u>	Mr Alasdair Kenwright (AMSK) Ms Vicky Davies, TIAA (VD)
<u>Declarations of Interest:</u>	None.

ACTION SUMMARY FROM MEETING ON (19 th March 2018)		
Action N ^o	Action Summary	Progress
A38 2017/18	The TOR to be reviewed after the new legislation on Audit Committees and the duties of the CFO has been issued.	On-going
A38 2017/18	Inviting HMIC to attend certain JAC meetings to be discussed as part of the review of the TOR.	On-going
A39 2017/18	To change the word "should" to "must" within the section on money laundering within the Treasury Management Strategy.	Completed
A40 2017/18	The translation team to be thanked for their hard work in relation to helping both the Force and OPCC to achieve the current level of compliancy with the Welsh Language standards.	Completed
A44 2017/18	The Corporate Governance framework to be amended as discussed above.	Completed
A45 2017/18	The Force Management Statement to be discussed within the seminar in June.	Completed
A47 2017/18	That how the table of 'Significant Governance Issues' is displayed within the document is discussed within the Corporate Governance Group and that research is carried out to identify best practice with other areas.	On-going

MM welcomed everyone to the meeting, giving a special welcome to Clive Fitzgerald, the Director of Audit from TIAA.

Apologies were given on behalf of Alasdair Kenwright and Vicky Davies.

A51 2017/18 Minutes of the meeting held on 19th March 2018 and Matters Arising

It was noted that they are still waiting on the guidance from CIPFA regarding Joint Audit Committees and it was acknowledged that certain actions such as reviewing the Committees TOR will be on hold until the guidance has been published.

CoS confirmed that Sarah Cooper from HMIC has accepted an invite to attend the JAC meeting in September. The Committee highlighted that having a member of HMIC attend was a positive step forward.

It was noted that all actions had been completed.

Decision: Subject to the noted amendment the minutes of the meeting held on 19th March 2018 were accepted as a true record.

A52 2017/18: The draft Joint Audit Committee Annual Report 2017/18

MM noted that there was a typo on page 2, which needs amending to 'along'. It was also asked that the sentence on page 2 referring to members' term of office be re-phrased to aid understanding.

Members noted that they were happy with the report and MM thanked CoS for the report.

Action A52: 2 amendments as discussed to be made to the Joint Audit Committee Annual Report 2017/18 and published thereafter.

A53 2017/18: Internal Audit Annual Report 2017/18

CF presented the Internal Audit Annual Report 2017/18 to the Committee, stating that the Head of Internal Audit annual opinion is that they are satisfied based on the reviews they have undertaken during the year that Dyfed-Powys Chief Constable and the Police and Crime Commissioner for Dyfed-Powys have reasonable and effective risk management and governance processes in place.

CF stated that it has been a very positive year in terms of Internal Audits. They have undertaken 23 assurance reviews, 7 of which were assessed as substantial assurance which is a very high number. 15 of the reviews were assessed as reasonable and only 1 with limited assurance.

MM noted positively that a wide range of activities have been reviewed and addressed over the year, giving the Committee confidence that the Force are taking the necessary steps to progress and move forward following recommendations.

MM thanked CF and the entire TIAA team.

A54 2017/18: Draft 2017/18 Letters of Representation for the Police and Crime Commissioner and Chief Constable

The Committee recommended the letters for approval to the Police and Crime Commissioner and Chief Constable.

Action A54: The draft Letter of Representation of the Police and Crime Commissioner was recommended for signature by the appropriate signatories.

A55 2017/18: Management's response to the audit enquiries on arrangements for the prevention and detection of fraud.

CFO stated that an amendment needed to be made on page 11, noting that question 1s 17/18 response needs amending. CFO explained that within the document they have provided both the 16/17 response and the 17/18 response and from this they can see that much of it is the same, albeit the 17/18 response has been strengthened to reflect the changes in the governance structures which have been made.

A56 2017/18: Wales Audit Office Audit of 2017/18 Financial Statements Report.

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 2018 and of their income and expenditure for the year.

JB explained in 2016/17 it was agreed with both the PCC and CC to pilot earlier deadlines for both the accounts preparation and audit delivery in 2016-17 and 2017-18. JB stated that this was a significant achievement for the finance team with all their pressures and workloads to meet this deadline.

JB stated that a number of learning points have been identified, including the quality assurance of the accounts and working papers prior to audit and the availability of finance staff during the audit window. These have been recognised and necessary steps will be taken to improve and ease pressures going forward.

JB explained that the number of 'Uncorrected misstatements' detailed in the report may increase in future years. As a consequence of the earlier statutory timescales the WAO recognises that there will be a greater focus on adjusting only the more significant issues. It was explained that the revaluation Reserve is misstated by £287,000 and Officers have agreed to review this and correct in 2018/19.

It was explained that there was no concern about the qualitative aspects of the accounting practices and financial reporting. No weaknesses in the internal controls were identified and there was no concern with the independence and objectivity of their audit team.

MM thanked JB for WAOs work.

A56 2017/18: Draft Annual Statement of Accounts for 2017/18 – Group Accounts and Chief Constable Accounts.

MM stated that he felt it was a positive step in receiving the Annual Governance Statement from both the Chief and PCC as a joint document and thanked all those involved for this achievement.

CFO explained that they had the Statement of Accounts seminar in June where the Committee got the opportunity to go through the Statement of Accounts in great detail. The finance team have since amended the documents as proposed. CFO thanked everyone that was involved in the process for their input into the documents. CFO explained that as members were aware, there were some new requirements for the narrative report this year which would be built upon going forward.

MM stated that the June seminar was useful in terms of reviewing the accounts and related documents with very valuable discussions taking place. CFO thanked the members for their time in going through the accounts, stating that their input and feedback within the seminar was very beneficial.

Action A56: The Committee recommend the Draft Annual Statement of Accounts for 2017/18 to both the PCC and CC for approval.

A57 2017/18: 2017/18 Progress Report of the Internal Auditors (SICA)

CF presented the 2017/18 Progress Report of the Internal Auditors (SICA) to the Committee. This report provides the Audit Committee with the final update on the progress of the work at Dyfed-Powys Police for 2017/18.

A58 2017/18: Reports of the internal auditors

Five reports have been finalised since the last committee meeting and therefore have been brought to the committee's attention for consideration.

a) Strategic Control and Corporate Governance

Outcome: Reasonable Assurance, with two Priority 2 recommendations and two priority 3 recommendations. CF explained that all of the recommendations have been accepted. The Joint Corporate Governance Framework has been amended to incorporate the governance arrangements as required. It has also been agreed that a full evaluation of the governance structure will be undertaken in October 2018. CF explained that they now have a TOR for all Boards and Groups within the governance structure which addresses the two priority 3 recommendations.

MM stated that having the chart showing clearly the governance structure is extremely useful. This helps to ensure that within meetings it is clear to distinguish what board is responsible for what.

CoS explained to the Committee that she meets with the Force Governance Manager on a monthly basis to ensure Force Governance arrangements feeds into the OPCC Governance arrangements and vice versa. This helps to ensure good partnership working and provides an opportunity to address any necessary issues or concerns.

b) ICT Network Security

Outcome: Reasonable Assurance with two priority 2 recommendations made. CF explained that it was recommended that an email encryption tool be introduced to enable the secure sharing of sensitive personal information when required and recommended that electronic controls be implemented to enforce the Dyfed-Powys Police removable media policy, restricting use to fully encrypted Dyfed-Powys Police issued devices only.

DoF explained that these 2 recommendations were currently being considered by the Information Assurance Board. An options paper in relation to email encryption would be considered at the next board meeting. There are currently some processes in place to strengthening the secure sharing of official sensitive information via email. This recommendation is in hand.

AM asked whether CF knew of any organisation which has good practice in this area in which DPP could contact.

CF explained that they themselves currently have port monitoring software on all their devices and use encrypted USB sticks in their organisation, this is currently in place and works effectively.

c) ICT Change Management

Outcome: Reasonable Assurance, with two priority 2 recommendations and one operational recommendation. CF explained that the first recommendation related to the proposed separation of ICT resources between an Incident Management Team and a Delivery Team to be piloted as soon as possible and any changes in productivity and effectiveness be identified and assessed. The second recommendation was that an easily definable report be introduced to enable the identification and reporting of all changes made through Workstream Tracker.

DoF gave an update on progress and gave assurance that issues had been picked up by IT. There is now an IT plan/ strategy in place which will help the IT Team identify key priorities and timescales and staff will be allocated to specific projects.

d) Assurance Review of Legal Claims Handling – Litigation-Lessons Learned

Outcome: Reasonable Assurance. This was the first of the 2018/19 reviews. CF explained that the overall conclusion was that the Legal Services Department manages civil claims in accordance with Civil Recovery Procedures. Within the review there is one priority 2 recommendation and four priority 3 recommendations. The priority 2 recommendation suggests having overarching procedures documented for the claims handling process.

AM queried whether this recommendation had been accepted by the Force. CF explained that the Management response to this recommendation was that as they follow Civil Procedure Rules 1998 they are comfortable that this effectively forms the Departmental Procedures, but it is important that everyone is aware of these procedures. CF stated that as long as everyone follows the same process and is fully aware of the Civil Procedure Rules to ensure consistency, TIAA are satisfied with this response. MM checked whether TIAA would conduct a follow up to assess the effectiveness of this approach. CF assured the committee that this would take place.

e) Compliance review of the Quality Management System (QMS) Procedures

Outcome: No overall assurance assessment provided as this was an operational, rather than an assurance review.

CF explained that the purpose of this review was to provide the Committee with an overview of what has been done against the year plan, explaining that within the plan there were 3 reviews which look at ISO compliance within the Quality Management System, with this being the first review out of the three. The overall conclusion stated that the audits undertaken within the Scientific Support Unit and Digital and Cyber Crime unit generally complied with the requirements of ISO, with a small number of corrective actions being identified and reported as part of the Quality Management System reporting methodology. CF explained that there are no recommendations at this level and that the 3rd review would be undertaken by the end of year.

A59 2017/18: Year End Follow up Review 2017/18

The TIAA Year End Follow up Review 2017/18 was presented to the Committee. This review looks at the management action which has been undertaken in respect of all recommendations arising from the internal audit reviews. The findings from this review show that 21 recommendations have been implemented (66% of all recommendations), 1 was in the process of being implemented and 10 have a revised target date.

AM stated positively that noticeable progress has been made.

MM queried in relation to ICT security whether there was an issue with Microsoft Office not supporting windows 7. DoF explained that they have identified a small number of machines that are still operating on windows 7 which will need to be updated; this piece of work has already been flagged and is in progress.

CF explained that windows 7 will be supported until January 2019. DoF stated that they are hoping that all the changes will be implemented by September 2018.

A60 2017/18: 2018/19 SICA Report

The summary provided the Audit Committee with an update on the progress of internal work at Dyfed-Powys Police as at 12th July 2018.

CF explained that they have recently had a very successful meeting where they met with a number of the department leads to determine appropriate scopes for the relevant reviews, allowing TIAA to now produce the audit planning memorandum.

CFO wished to bring one item to the Members attention which was the agreed annual audit plan. Members were aware that there was an audit in General ledger as it was discussed when looking at the Statements of Accounts. There was also a need to take a focused review of Financial Management. CFO wished to propose to Members that they replace the General Ledger audit on the plan with an internal audit review of Financial Management arrangements. Members accepted the change and agreed that this would be beneficial.

Decision A60 2017/18: Members agreed the proposal of changing General Ledger on the annual audit plan to an internal audit of Financial Management Arrangements.

CoS asked that given TIAA are also providers to the other three Forces and OPCC's in Wales, whether consideration had been given to comparing the annual plans and whether there is an intention where appropriate to do some comparison reports. At a previous JAC meeting a request was made as to whether it would be possible to have a comparison report in relation to the implementation of the Welsh Language Standards as this would be useful moving forward.

CF explained that last year they did a general comparison report of the plans across the Forces but not a specific audit comparison report. There were no plans of doing one for the current year, however, CF stated that if it was felt that one was needed this would be something that they could consider. It was explained that in order to do a comparison report each Force would need to be comfortable and give approval to be involved. CF stated that he would contact each area for their approval to be involved in a comparison report, sharing their findings in relation to the implementation of the Welsh Language Standards.

Action A602017/18: CF to contact other areas in Wales for their views on sharing findings in relation to the implementation of the Welsh Language Standards in a comparison report.

MM stated that the comparison report could be placed within the closed/ confidential section on the agenda if areas were reluctant to share the comparison report publicly.

A61 2017/18: Force significant Corporate Risk Registers

DoF explained that it was agreed at the last meeting for any new or significant risks to be brought to JAC meetings, as an alternative to discussing the entire Force Corporate Risk Register. It was explained that the report brought to the Committee on the Significant Corporate Risk register had been discussed at a recent Policing Board.

The DoF went through the report highlighting the risks and the processes put into place to mitigate the risks. One of the highlighted risks included the forensic medical examination of children. DoF explained that options are currently being reviewed regarding this to address/ mitigate the risk.

PCC highlighted that this concern links closely to the capacity of the Health Board and although it is on the Force Risk Register this is also an issue for the Health Boards across Wales and is not unique to Dyfed-Powys. The Committee recognise that the Force would be limited as to how much they could mitigate this risk as it is closely linked with the work of the Health Boards.

AM noted that having a report highlighting the significant risks was very useful. AM pointed out the concern that Carmarthenshire had a significant drop in compliance with statutory requirements to undertake Health and Safety Inspections. CC acknowledged this concern and explained that they had recently employed a Health and Safety trainer which will hopefully help address matters. Health and Safety training is currently ongoing and the training will be rolled out on a priority basis.

ME acknowledged that having a report just on the significant risks is beneficial, however, asked whether it would be worth changing the format of the document slightly to include some further details, such as a section which incorporates the actions and progress which

is being made against each risk and the owner and proposed timescale to progress with the recommended actions needed.

CC acknowledged this and recommended that for future meetings more detail be included in the report for the Committee to consider.

Action A61 2017/18: Further detail to be added to the report on Force Corporate Risk Register for the Committee to consider at future meetings.

MM thanked the Force for providing the report and acknowledged that this was a positive move forward instead of receiving the entire risk register.

A62 2017/18: Update on the Force Management Statement

MM, made a comment from both himself and on behalf of AK that they felt the document is extremely useful.

CC explained that there were two documents for the Committee to consider, the Force Management Statement (FMS) 2018 and the Summary of State of Policing and FMS report. It was explained that the FMS does take a large amount of time and resources to prepare, but that they have recently received positive feedback from HMIC regarding the quality of their submission however, they are still waiting on the official response.

PCC explained that it would also be useful to note that there has been some push back in relation to FMS, with many Police and Crime Commissioners being sceptical about FMS. However, the PCC noted that he was supportive of the notion of having a FMS, stating that he felt that they were very useful as a Commissioner for audit and reviewing purposes of the Force.

MM asked how the FMS fits into daily work and staff structures and whether it would be introduced into training and auditing etc. CC explained that officers should all be aware of the Police and Crime Plan and the CCs priorities. It was explained that possibly not all officers would be aware of the FMS; however, this would be a living document that will continue to be built upon going forward.

The PCC explained that the FMS considers the Force Strategic Assessment which looks at the priorities of the Force, State of the Nation HMIC report and the Police and Crime Plan,

bringing everything together into one document looking at where the Force sits in relation to all other layers and reports etc.

ME asked where the FMS fits into JAC in terms of audit.

MM stated that the document interlinks with a few other areas including the Risk Registers and the impact on the Medium Term Financial Plan etc. The FMS will also allow the Committee to see what areas the Force is doing well.

CC stated that they will be posing further questions to the HMIC on how they see JAC taking forward the FMS.

A63 2017/18: Any Other Business

a) JAC membership

CoS proposed the idea of recruiting an additional JAC member, bringing the total up to five. This will help ensure that meetings are always quorate.

The Panel agreed with this proposal and felt that this would be a positive action to take.

CoS explained that they would therefore advertise in September and that an update would be provided on the progress of this at the next JAC meeting.

Decision A63 2017/18: To recruit an additional JAC member and advertising to commence in September.

b) Corporate Governance Meeting

MM explained that there were no Corporate Governance Meeting minutes on the agenda due to the meeting being postponed. Minutes will therefore be brought to the next meeting in September.

**The Meeting closed at 11:55 hrs
Date of next meeting: 19th September 2018**

DECISIONS ARISING FROM MEETING 24 th July 2018		
Decision No.	Decision Summary	To be progressed by
A51 2017/18	Subject to the noted amendment the minutes of the meeting held on 19th March 2018 were accepted as a true record.	OPCC
A55 2017/18	The Committee recommend the Draft Annual Statement of Accounts for 2017/18 to both the PCC and CC for approval.	Members
A60 2017/18	Members agreed the proposal of changing General Ledger on the annual audit plan to an internal audit of Financial Management arrangements.	Members
A63 2017/18	To recruit an additional JAC member and advertising to commence in September.	OPCC

ACTION SUMMARY FROM MEETING ON 24 th July 2018		
Action N ^o	Action Summary	To be progressed by
A52 2017/18	2 amendments as discussed to be made to the Joint Audit Committee Annual Report 2017/18.	OPCC
A54 2017/18	The draft Letter of Representation of the Police and Crime Commissioner was recommended for signature by the appropriate signatories.	PCC and CC
A56 2017/18	The Committee recommend the Draft Annual Statement of Accounts for 2017/18 to both the PCC and CC for approval.	PCC and CC
A60 2017/18	CF to contact other areas in Wales for their approval on whether they would be happy to share their findings in relation to the implementation of the Welsh Language Standards in a comparison report.	TIAA
A61 2017/18	Further detail to be added to the report on Force Significant Corporate Risk Register for the Committee to consider at future meetings.	Force