



**JOINT AUDIT COMMITTEE (JAC)
Public Minutes**

Notes of the meeting held on 27th June 2024 at 09:30

Attendees:

Sue Davis	Chair
Richard Hollands	Vice Chair
Jonathan Jardine	Chief Executive, PCC
Jane Heppel	Chief Finance Officer, PCC
Lynn Joyce	Head of Internal Audit - PCC
Andrew Smith	Grant Thornton
Zoe Thomas	Grant Thornton
Scott Green	Deputy Chief Constable, WMP
Pete Gillett	Director of Commercial Services – WMP
Sue Dehal	Head of Financial Accounting and Tax – WMP
Beth Tobitt	Strategic Finance Manager - WMP
Fiona Fletcher	HMICFRS Liaison Officer - WMP
Fiona Pook	Head of Performance and Assurance - WMP
Melissa Horton	Senior Assurance and Risk Manager – WMP

Plus one notetaker

636	<p>Item 1 - Apologies</p> <p>Apologies were noted for</p> <ul style="list-style-type: none"> • Davinder Jagpal • Tom Joyce • Laurelin Griffiths
637	<p>Item 2 – Declarations of Interest</p> <p>There were no declarations of interest raised.</p>
638	<p>Item 3 – Minutes from Previous Meeting</p> <p>The considerations and questions of the previous meeting held on 28th March 2024 were agreed as an accurate record of proceedings.</p>
639	<p>Item 4 – Matters Arising (Not on Agenda)</p> <p>There are no matters arising.</p>

Item 5 – Risk Management Update, including Force Risk Register and OPCC Risk Register

Presented by Melissa Horton & Jane Heppel

- The OPCC has reviewed the Risk Register fully and widened the view of the risk pertaining to the operation of key responsibilities of a PCC and the organisation of running and maintaining the office itself.
 - The risks recognised are to do with funding, particularly the VRP. At this time, it is hoped that VRP will continue, though there have been no promises of ongoing funding post April 2025. The OPCC are preparing to mitigate several different versions of the future surrounding the VRP and its core delivery.
 - Risks around public confidence in policing have increased nationally, in particular seeing a fall in recent crimes survey scores, therefore it is appropriate to recognise this.
 - Internal Audit have raised the risk of inadequate safeguarding within the OPCC, as a result vetting has been increased for some volunteers and training has been put in place to mitigate.
 - A standard risk to business continuity, which has previously been missing, has now been recognised. This risk will always remain as medium and appropriate actions are being taken.
 - It is appropriate to recognise that the PCC is the owner of all the assets the Chief Constable uses to delivery his operational requirements. This risk is well managed and maintained.
 - The risk around the potential transfer to WMCA has been closed as this will not now take place. The Force have taken a different view as they wish to understand the full impact of the meeting held to discuss lessons learned from the process before closing.
- Richard Hollands welcomed the changes to the design of the risk register and particularly the context of cause and effect when highlighting the risks.
 - Sue Davis asked where the starting point for decisions relating to the Estates Risk was, as this impacts both the OPCC and the Force, and how decisions will be made about the scale of risk.

Melissa Horton explained the starting point for risks would be in operational/portfolio governance boards that take place. There is a specific Board chaired by the DCC around risk and organisational learning which has capacity to provide independent and individual risk around the areas too.

- Sue Davis asked whether the Committee is likely to see a move in the risk and if there is an ongoing process over a period of time which may leave the Force to say there is not a risk, or there is a risk and more property is needed.

Pete Gillett confirmed that a decision Board he operates escalates the risks through Governance Boards where decisions are made and risks updated. There will likely be movement on this risk as it is an ongoing process. A lot of work has taken place to bring the Estates Strategy together, this reflects the new operating model introduced by the Chief Constable.

Jane Heppel clarified that the risk is on the OPCC register and not the Force. The OPCC needs to take a long-term view into operational assets and threats to the environment, e.g. the move away from petrol vehicles, new environmental standards etc. I would hope if they are managed efficiently, the Force would have no operational risks around this.

- Sue Davis asked whether there was anything significant to draw out of the Risk Bulletin?

Melissa Horton explained that the bulletin has been created to increase horizon scanning across the organisation and to empower individuals to consider what may impact individual areas. Members of the Risk team are present at Governance Boards to discuss pertinent items to allow and encourage cultural engagement with the risk process.

- Richard Hollands asked about the direction of travel and whether there was more engagement as a result.

Melissa Horton confirmed a risk maturity engagement exercise has just been undertaken, it is in draft at the moment but there are two areas looked at which need further development which will become the road map moving forward. An increase in recording of risks and issues has been noted. A risk survey has been created in Force to capture feedback and understanding of users and non-users within the organisation and their level of understanding.

- Sue Davis asked whether there was any learning being taken in terms of research and academic work that could be called on or commissioned to look at particular issues.

Melissa Horton said the organisational learning falls within Melissa's remit, and the Insights and Development Team are in the process of developing an evidence base. Attendance and outputs will look to encompass and deliver this within horizon scanning moving forward, though it is in its infancy. Strategy, Delivery and Assurance have undergone a restructure which has increased the capacity of some members of the team to be multi-disciplinary across risk, assurance and organisational learning.

Jonathan Jardine advised that the OPCC are developing the next Police & Crime Plan and a literature review is forming part of this work looking at where policing will be in the next 5 years. The Office has also made a detailed submission to the Vision 2030 document, which was an attempt to understand risks that need to be understood in the upcoming half decade.

- Richard Hollands was a little unsettled at the decision not to report separately on Engage risks, noted in Point 3.12 (page 2), and was interested in the rationale for doing so.

The DCC responded that when working through the causes of concern, the items are very granular. The Force believe they know where they are with 3 of the concerns but as the 4th is around investigations it is a strategic issue relating to the previous operating model and auto-filing lots of crimes. The DCC took the decision that the Force would govern the response to HMICFRS through a stand-alone HMICFRS Board.

- Richard Hollands noted that there was no Risk Register present with the papers and that it would be helpful for one to be available at the next meeting to assess the changes to the last version.
- Sue Davis asked that in the absence of the risk register, if there have been any changes since the previous meeting it would be helpful to have a note outside of the meeting to confirm these.

	<p>ACTION: Risk register to be presented to the next meeting and members notified of any changes between March and June.</p> <ul style="list-style-type: none"> - Richard Hollands also asked, upon reflection, whether there was enough of a challenge from the Committee, recognising he personally tends to focus on technical aspects rather than content. <p>DCC Green confirmed that the Force do receive helpful challenge from the Committee as this links back to maturity. There is still an emerging level of maturity that Senior Leaders need to keep thinking about.</p>
641	<p>Item 6 – HMICFRS Update</p> <p><i>Presented by Fiona Fletcher</i></p> <ul style="list-style-type: none"> • The Force remain in Engage status. Work continues at pace around the improvements. • HMICFRS have been back to the Force and undertaken an assessment of 3 areas of concerns and a formal response is awaited. • The Chief Constable continues to present progress to PPOG, the next occasion will be September 2024. • Since the last meeting an additional 66 recommendations and areas of improvement have been closed. • At present there are no forthcoming HMICFRS inspections formally planned. <ul style="list-style-type: none"> - Richard Hollands noted the positive progress around Organised Crime and asked for any thoughts or observations that could be used to capture learning and knowledge for the benefit of others. <p>DCC Green noted the role of Local Risk Owner that own mapped Organised Crime Groups. If you're policing a small area you may only have 1 or 2 groups, Birmingham is a big place and there is only one LRO. You could create more, but then you would have LRO's, which is against national best practice. There needs to be a level of maturity reached where all mapped Organised Crime Groups are known, and know what intelligence requirement is around them. West Midlands Police is the only Force in the region to be graded as adequate and in a good place, but there is still more to do.</p>
642	<p>Item 7 – Internal Audit Annual Report 2023/24</p> <p><i>Presented by Lynn Joyce</i></p> <ul style="list-style-type: none"> • The Committee are aware of the resourcing issues faced by the team this year, as a result a total of 19 audits have been completed. A high proportion of these are reasonable assurance with a total of 72 recommendations. • There were no minimal assurances issued and only several limited, which shows improvement across the board. • Follow ups continue to be undertaken around recommendations. Of the 34 follow-ups concluded in 2023/24, there have been 73% of recommendations implemented. • The Internal Audit Team undertook a self-assessment in April and May to assess their effectiveness and were fully compliant with the standards. <ul style="list-style-type: none"> - Richard Hollands asked whether due to the resourcing issues the Team were still able to offer the same level of opinion

	<p>Lynn Joyce confirmed that 2023/24 was a struggle, but 19 audits were completed and a further 34 were followed up along with recommendations. Within the follow-ups were some complex reviews such as RASSO and Child Abuse, and you could see the positive difference to what was initially presented and the growth in governance and internal control through the information presented.</p> <p>Pete Gillett added that he has a statutory obligation to rely on internal audit opinion and he has had regular conversations with the Head of Internal Audit about resourcing and as S151 officer he is happy he is able to discharge that obligation appropriately.</p>
643	<p>Item 8 – Internal Audit Quality Assurance and Improvement programme</p> <p><i>Presented by Lynn Joyce</i></p> <ul style="list-style-type: none"> • Following the self-assessment against the Public Sector Internal Audit Standards, the Team were assessed as fully compliant. • Appendix B shows activities progressed were slower than would have hoped, as some were put on hold pending the potential transfer to WMCA. There have also been a number of improvement activities focussing on methodology which have been out on hold pending new CIPFA Standards being implemented. • It is envisaged the new Standards will result in changes to the Audit Charter and Manual and some of the ways in which Internal Audit work is undertaken though these changes are not expected to be extensive. A full review will take place in time for March 2025.
644	<p>Item 9 – Internal Audit Activity Update Report</p> <p><i>Presented by Lynn Joyce</i></p> <ul style="list-style-type: none"> • 2 Audits have been finalised in the last Quarter with 3 reports in draft. • The Missing Persons audit received a Reasonable Assurance. The last time it was reported it received Minimal Assurance with a number of concerns raised. There was a much better position around compliance with escalation protocols used, governance had improved as well performance management regimes, there was a noticeable improvement in response times too. • 10 follow ups have been completed to date showing 71% as fully compliant, • There are 26 medium and high recommendations outstanding. • For Uniform and Detained Property meetings were held with the Leads. For uniform, the service has been bought back in-house, some recommendations can be closed. • Detained property was slower to progress but now a project is underway led by an ACC which will look at progress across the board. • Due to the ongoing work, the Head of Internal Audit suggested the next follow up for both uniform and Detained Property be in six months-time to allow the projects to progress • In terms of resources within the Internal Audit team, a contract has now been formalised with the provider and a meeting to induct the provider will take place next week. • A request was received for the addition of Absence Management to the Audit Plan. <p>- Richard Hollands asked how realistic the target dates set for recommendations are and whether new dates are ever set if a deadline passes?</p> <p>Lynn Joyce explained that when recommendations are sent it is up to the responsible officers to set target dates. There is no policy on revising dates as this could result in the</p>

	<p>loss of transparency. The team could get better at challenging whether the dates are realistic, but this hasn't been done in the past. Lynn was happy to take this away to embed.</p> <p>Pete Gillett added that a number of the areas where staff were maybe overly ambitious in their target dates have now transferred into his portfolio, and this is now included at his governance meetings. Staff have been encouraged to give realistic and timely deadlines and this is being monitored closely.</p>
<p>645</p>	<p>Item 10 – Debt Write Off report</p> <p><i>Presented by Jane Heppel</i></p> <ul style="list-style-type: none"> • The report is a response to an issue previously brought to the committee in an Internal Audit report and is to rectify the situation around ensuring the debt position is accurate. • The proposal is to ask the committee to review whether process has been followed correctly to take forward the recommendations to the PCC that final approval has been given to be written off. • Technically, these transactions were written off in the 23/24 accounts, this is just to make sure that the committee are aware of the process. • 3 of the 4 Internal Audit recommendations from the debt recovery report have been enacted. One is being worked on but is tricky and the team should be allowed to continue without too much pressure. • The debts themselves relate to payroll. There are a significant number of people paid, so having five write offs going back some years does not present a massive issue, with the preference being to focus on current debt rather than historical. It is no longer economical to pursue and the Team are content to write off. <p>- Richard Hollands asked at which point a debt is deemed to be uncollectable.</p> <p>Pete Gillett advised that each debt is considered on its own merits, each month these are checked. There is now more scrutiny undertaken due to this work and there is a Gold Group looking at payroll issues, including debts that have not been written off.</p> <p>- The Chair and Vice Chair gave approval for the write-offs to be presented to the PCC.</p> <p>Jonathan Jardine was not aware that the PCCs approval was as low as £2000 and suggest this be looked at moving forward.</p> <p>Jane Heppel added that work is taking place throughout the summer relating to changes to the Procurement Act. The intention is to review financial limits throughout the Code of Governance and Financial Regulations to ensure that the governance is sufficient but not overbearing.</p>
<p>646</p>	<p>Item 11 – Annual Governance Statements</p> <p><i>Presented by Jane Heppel</i></p> <ul style="list-style-type: none"> • The statements were prepared and considered by the Joint Governance Board. Thank you was given to the Committee for all the submitted feedback. • As the Annual Governance Statements will be kept as a current concern until the accounts are signed, it is correct that they are kept as a draft on the website and if

	<p>there are any significant changes to be made they are bought back through the Committee before the final signing.</p> <ul style="list-style-type: none"> • Pete Gillett added that it is helpful that the Engage status is reflected in the Statement too as this is consistent with the discussions that took place with External Auditors. - Sue Davis added that moving forward the PCC is planning to make changes to the Governance structure following the elections. It would be helpful if at the next meeting a brief paper could be received outlining the changes planned and the rationale for how it's envisaged that a different structure will improve transparency. <p>ACTION: The PCC was invited to attend the next meeting to present the Governance changes and act as an introduction to members. Paper to next meeting outlining the governance changes planned and how they will improve transparency.</p>
647	<p>Item 12 – Statement of Accounts (draft 2023/24)</p> <p><i>Presented by Jane Heppel & Pete Gillett</i></p> <ul style="list-style-type: none"> • Pete Gillett advised that the Force have over-delivered on the savings required and the balance sheet has been strengthened which means the Force are in a position to move forward in a strong position which is important given the future financial challenges that all are aware of. • Jane Heppel added that both the Force and the OPCC are in a good position to face future challenges, though it must be recognised that while the Uplift Programme delivered additional head count the Force does not have the Officer numbers it had in 2010 and therefore the number of Officers remains a significant risk in the investigation and prevention of crime. • If you review the balance sheet it shows that there has been an increase in negative reserves which cannot continue to be helpful. • It would appear that assets have reduced, this is due to revaluations, of which the losses have been significant. This does not reflect a reduction in the number of the assets only that the valuer has changed their opinion of the value of them. • Working capital has seen an increase, one thing to be highlighted from the Uplift Programme is that the Home Office ended the year owing West Midlands Police £11m. • Usable reserves increased by £22.6m which is a really good news story about the resilience of the Force and OPCC for the future and it is a shame that this is hidden in the deficit of the balance sheet. - Sue Davis added that the health warning on the improved position is that by not spending money at the end of the year that you intended to spend on staff means you didn't have the staff, so in those areas where we know things are tight, that's good for the finances but not good your meeting all the need. <p>Pete Gillett added that the Force have closely managed the vacant positions each month, if any Police Staff or Operational roles that are front line operational then they are approved right away. Vacancies are held in a planned way.</p>
648	<p>Item 13 – External Audit: Progress Report and Sector Update</p> <p><i>Presented by Zoe Thomas</i></p>

	<ul style="list-style-type: none"> • An opinion has now been issued on the 2022/23 accounts, these will now be uploaded to the website and a notice of closure and certificate issued. • The opinion covered the statutory accounts, a modification to this opinion was also issued in relation to other information published alongside the accounts. This reflects a disagreement in terms of what should have been contained within the Annual Governance Statement. • There is also reference to the significant weakness identified in the Value for Money work. The only unusual thing is the modification in relation to Annual Governance Statement. Thanks was given to the Committee for their support. <p>- Sue Davis confirmed that the Committee were aware of the difference opinion and took the same view on the matter as the Officers and PCC.</p> <ul style="list-style-type: none"> • With regards to the 2023/24 accounts, the plan is to aim for the March Committee meeting. The risks have been set out and shouldn't change. Value for Money risks hadn't been added so the Committee will be updated when planning has been completed. • The accounts have now been received and the team are onsite doing the work. It is anticipated that the field work will be done by August with the hope to wrap this up in September. • There are lots of judgments which can delay this, particularly around Pensions. • The Value for Money work may not be complete until closer to December. <p>Jane Heppel raised the significant increase in the audit fee for 2023/24 and asked whether the increase would enable the Auditors to deliver a timelier audit than in 2022/23?</p> <p>Zoe Thomas clarified that the delay in 2022/23 was to do with issues relating to the Audit, the fee for the audit would not have any bearing on the timeliness.</p> <p>Pete Gillett added that whilst there was a difference in opinion in terms of the narrative about the Annual Governance Statement, the Force maintain a strong professional working relationship with the auditors and look forward to working together on the 2023/24 accounts.</p>
649	<p>Item 14 – JAC Annual Report (2023/24)</p> <p><i>Presented by Sue Davis</i></p> <ul style="list-style-type: none"> • The Committee agreed that the report was a true reflection.
650	<p>Item 15 – JAC Work Programme</p> <p><i>Presented by Sue Davis</i></p> <ul style="list-style-type: none"> • It was noted that some items on the Programme may change. <p>Action: Jonathan Jardine noted that one piece of work the OPCC is doing is around the Police & Crime Plan and he would welcome the chance to add this item to the Work Plan. This was agreed.</p>
	<p>Date of the next meeting:</p> <p>Wednesday 4th September 2024</p> <p>The Chair closed the Public Session of the meeting.</p>