

<u>Members:</u>	Mr Gawain Evans (GE)(Chair) Mr Alasdair Kenwright (AMSK) Mr Malcolm MacDonald(MM) Mr Andre Morgan (AM)
<u>Also Present:</u>	Mr Mark Collins, Chief Constable (CC) Mr Edwin Harries, Director of Finance (DoF) Mr Dafydd Llywelyn, Police & Crime Commissioner (PCC) Mrs Carys Morgans, Chief of Staff (CoS) Mrs Jayne Woods, Chief Finance Officer (CFO) Mr Jason Garcia, Audit Manager, WAO (JG) Ms Vicky Davies, Audit Director, TIAA (VD) Ms Rachel Jones, Legal (RJ)(agenda item 18 only) Mrs Sharon Richards, Governance Manager & Dep Monitoring Officer (SR) (agenda item 16 only) Mrs Anne Williams, Business Support Officer
<u>Apologies:</u>	Mr Adrian Williams, Director of Resources Mr John Herniman, Engagement Director, WAO
<u>Declarations of Interest:</u>	None

ACTION SUMMARY FROM MEETING ON 6th December 2016

Action No.	Action Summary	Progress
A79 2016/17	The CFO to check the Committee's quorum.	Complete
A81 2016/17	That a general discussion on the Police & Crime Plan be placed on the agenda for the JAC training day 16th January.	Complete
A81 2016/17	The draft Plan to be shared with Members at the appropriate time.	Complete
A83 2016/17	The CFO to check the Committee's Terms of Reference in relation to the Committee's responsibility to either approve or endorse the changes within the Annual Plan.	Complete
A86 2016/17	The CFO to check the Terms of Reference of the Joint Audit Committee in relation to HMIC and to update SB of any changes in going forward.	Complete
A86 2016/17	To invite Vince Tether to periodic Corporate Governance Group meetings.	Complete

The outline of Joint Audit Committee Minutes has been changed to correspond with formats of all Minutes produced by the OPCC.

Welcome

With the agreement of Members the Chair changed the order of the agenda.

A90 2016/17 Minutes of the meeting held on 6th December 2016 and Matters Arising

A quorum for the Joint Audit Committee was confirmed as three Members to be in attendance.

It was the Joint Audit Committee's responsibility to accept and approve changes within the Internal Audit Annual Plan. This matter was for discussion under a later agenda item.

The Terms of Reference had been updated and HMIC activity was a matter for discussion under a later agenda item. Vince Tether had agreed to attend a future meeting of the Joint Audit Committee.

Decision: The minutes of the meeting held on 6th December 2016 were accepted as a true record.

A91 2016/17 To consider the Wales Audit Office (WAO) Draft 2017 Audit Plan

JG thanked the Committee for agreeing to change the order of the agenda.

The 2017 Audit Plan outlined how WAO would carry out their work to determine whether the financial statements of both the Dyfed-Powys Police & Crime Commissioner and Chief Constable were true with proper arrangements to secure economy, efficiency and effectiveness in the use of resources.

JG referred to the financial statements audit risks and highlighted the main change and potential risk in moving towards earlier closure of year-end accounts. In working towards revised deadlines, the Finance team had committed to produce 2016-17 draft financial statements by 16th June 2017 with the aim to complete the audit by end of July. The date of the July Joint Audit Committee meeting had been changed to accommodate this.

JG highlighted a slight reduction in the estimated 2017 audit fee to deliver WAO work.

The timetable of work was similar to previous years with the exception of reporting in July instead of September for the audit of financial statements and opinion on the financial statements.

In relation to the change in timescales, the PCC questioned the impact on the Force internally in relation to the revised deadlines. Whilst deadlines would prove challenging, the DoF was confident of it being achievable and alluded to a fall-back position.

JG referred to hold ups towards the end of audit in making any amendments to the accounts. In order to meet tighter deadlines JG asked the Committee to consider whether the organisation wanted to make amendments to any errors found in the accounts below the material value level, as the organisation was not obliged to make such changes.

Members considered this suggestion to be useful.

JG left the meeting at this point.

Decision: Members to consider the option to make amendments to any errors below the material value.

A92 2016/17 Police & Crime Plan and supporting Delivery Plan

In December 2016 Members had an early presentation and in January 2017 received a first draft copy of the Police & Crime Plan; both of which had proved extremely beneficial. The PCC was grateful for this feedback to aid future planning.

Members were circulated with two handouts and the content of each was summarised. Priorities had been formed through wide consultation with the public and local stakeholders and SR briefly detailed aspects of the four Priorities.

The published version of the Plan contained more detail in terms of objectives set under each Priority.

In response to the Police & Crime Plan the CC had developed a Delivery Plan to demonstrate the organisation's delivery against the Priorities. The PCC will monitor progress against the areas to demonstrate the difference made. Emphasis was made on how the Code of Ethics underpinned the Plan.

Both the Police & Crime Plan and Delivery Plan were in the process of being launched with a series of launch events scheduled across the Force. Both documents are available to the public on the Force and PCC's websites.

SR detailed arrangements in place to embed the 'Plan on the Page' across the organisation to raise awareness of the Priorities and way forward.

A discussion ensued around operational working and the PCC emphasised how service delivery and activities underpinning the Police & Crime Plan were already in place and referred to investment in body worn cameras improving processes and delivering standards.

The CC referred to the introduction of a new performance framework with face to face contact with staff around the organisation to assist with the delivery of the Plan.

In response to a question as to whether the 'Plan on the Page' was intended for external consumption the PCC referred to the Inaugural Commissioning Board and confirmed that as well as being operationally focussed, partnership working was also critical to its delivery.

A discussion ensued on how the 'Plan on the Page' could be best shared internally and externally as it presented a useful summary for the public.

The PCC thanked Members for their observations.

A bilingual version, an easy read version and a British Sign Language version were also to be added on the website, and MM asked for consideration to other languages and an audio version.

The CC and PCC planned to hold regular public meetings to engage with communities to determine any noted public difference.

Decision: That consideration be given to producing a public version, an audio version and other languages.

A93 2016/17 HMIC Peel: Police Effectiveness 2016 report.

Members were appreciative of having sight of the full HMIC report and seeing Dyfed-Powys' position in respect of certain aspects.

The Chair asked for a discussion on the role of the Committee in terms of HMIC reports and questioned the Force's progress in response to the report.

Members discussed how their observations on HMIC reports fitted into the Annual Governance Statement as the Committee had the ability to strengthen the Annual Governance Statement through their observations.

In accepting some of the recommendations within the report, the CC provided Members with clarification and reassurance of work in progress on areas of performance requiring improvement.

In response to a question by AMSK on whether the Force had resources to implement the recommendations within the report, the CC alluded to the appointment of specialist transferees and plans for Force internal training. The PCC stated that some of the highlighted areas required additional investment and efficiency savings on that investment was likely to prove challenging.

Besides noting and asking questions the Chair questioned whether there was further scrutiny which the Committee could offer in relation to HMIC reviews.

The CC suggested that one Member lead on HMIC matters and for that Member to be invited to internal meetings to monitor the Force's response on recommendations and report back to full Committee.

Members were in favour of this suggestion and agreed to discuss the matter further at the end of the meeting when discussing the Committee's Terms of Reference and Governance.

Decision: For one Member to lead on HMIC matters and attend internal meetings.

Decision: To consider HMIC's offer of joint reporting on HMIC progress on recommendations when discussing Terms of Reference.

A94 2016/17 Final Internal Audit Plan for 2017/18

This was the approved Plan presented at the December meeting. For completeness the Plan was brought back to Committee with one amendment to reflect Dyfed-Powys Police not being part of a collaborative review of the Joint Scientific Investigation Unit.

A general discussion ensued around collaborative internal audit reviews that could provide assurance of governance and collaboration structures in place.

The recently held Joint Audit Committee training with other Forces recognised that TIAA being a common Auditor gave an opportunity for comparative internal audit matters to be cross referenced with other Forces. MM welcomed the prospect of a report to other Welsh Forces to discuss best practice on comparative type work.

Following earlier issues raised on HMIC activity, the CFO suggested that Members may wish to use these as a basis for looking at the programme for internal audit.

VD stated that other Forces were reviewing compliance with the Welsh language standards which Dyfed-Powys may wish to consider.

VD agreed to raise commonality reviews at other Welsh Force meetings.

In response to a question, VD confirmed that Members would be provided with Satisfaction Questionnaires following the Annual Report.

Action: TIAA to report on comparative work with other Welsh Forces to determine best practice.

A95 2016/17 Summary Internal Controls Assurance (SICA) Report 2016/17

The summary report provided Members with an update on the progress of work as at 21st March 2017. Copies of finalised reports had been provided to the Joint Audit Committee and Members discussed their evaluations individually.

In response to an observation on new developments in Governance, Risk, Control and Counter Fraud, the DoF briefed Members on changes to contracting (IR35 rules) affecting the Public Sector. Members welcomed VD's offer to share briefing notes on TIAA's Online Client Portal with Members.

Due to a full agenda and time restrictions Members agreed to discuss only reviews of limited assurance on this occasion

Action: VD to share TIAA's Client Portal with Members.

A96 2016/17 a) Review of the internal auditors on Creditor Arrangements

The review considered the arrangements for authorising and paying costs incurred by the organisation and the arrangement for control of the organisation's cheques and automated payments. The review awarded limited assurance with one Priority 1, three Priority 2 and one Priority 3 recommendations. VD highlighted the Priority 1 recommendation in relation to duplicate payments and payments to wrong suppliers. The Business Support Unit (BSU) had since undertaken a review of all payments appearing to be duplicates and a process was in place to contact each of the suppliers to discuss reimbursement. A spreadsheet of these payments was being used to monitor receipt of this money with a target implementation date for full reimbursement of 31st March 2017. In addition, a quarterly review will be undertaken by the BSU Co-Ordinator of all payments to identify any future duplicate payments. VD referred to TIAA's sophisticated analytical process to look for duplicate payments which will be shared with BSU to run quarterly checks.

The DoF expressed his disappointment with the limited assurance. He highlighted weaknesses in the system in relation to duplicate payments and reassured Members that supplementary measures had been put in place on a quarterly basis to check systems. Processes to improve prompt payment were also receiving attention.

MM referred to methods for consideration within the year end accounts in relation to non-recoveries.

The Chair requested an update in relation to BSU Creditors 30 day payments at the next meeting and the DoF agreed to circulate such a report.

Action: That an update on Creditor payments be provided at the next meeting.

The PCC and CC left the meeting at this point.

b) Internal Auditors Review of Fixed Assets arrangements

The review considered the identification of assets recorded in the asset register, the identification, locating and recording of assets, inventories and the disposal of assets.

The review awarded reasonable assurance with one Priority 1 recommendation highlighting that the insurance broker for land and buildings was not aware of the existence of one radio mast used by the Force. Implementation of the recommendation had by now been completed. AM highlighted other pleasing review reports and for completeness those reviews are listed below.

c) Internal Auditors Review of General Ledger Arrangements

The review considered the arrangements for providing an effective audit trail for data entered onto the general ledger and the appropriateness of the reports generated. The review awarded substantial assurance and there were no matters for discussion.

d) Internal Auditors Review of Treasury Management

The review considered the arrangements for controlling the investment and borrowing arrangements, compliance with the organisation's overall policy, banking arrangements, reconciliations and the reporting to Committee. The review awarded substantial assurance and there were no matters for discussion.

e) Internal Auditors Review of Business Continuity Planning

The review considered the arrangements for Business Continuity planning including policy/strategy and procedures, organisational responsibility, plan details for various scenarios and testing. The review awarded reasonable assurance and Members were content that Business Continuity was now fully embedded.

f) Internal Auditors Year End Follow Up Review

The follow up review established the management action taken in respect of Priority 1 and 2 recommendations arising from internal audit reviews. The Chair observed the timescales and deadlines for delivery by target date listed within the report.

A97 2016/17 Draft Accounting Policies for 2016/17 Annual Statements

The Accounting Policies are included in each Statement of Account and these are the specific principles, bases, conventions, rules and practices applied when preparing and presenting the financial statements. The 2016/17 draft Statements of Accounts will be presented to Members at the end of June and the draft Accounting Policies have been prepared in advance as requested by Members to allow the opportunity to review and consider this element of the Statements of Accounts at an earlier stage.

The CFO referred to changes made to the draft Accounting Policies for 2016/17 in line with changes to the Code of Practice. The amendments were highlighted within the Executive Summary of the report.

Members asked appropriate questions in relation to detail on Property, Plant and Equipment and a discussion followed in relation to assets and assets held for sale which the CFO agreed to raise with Wales Audit Office.

Action: That the CFO discuss and confirm the most appropriate method of valuating different classes of assets in the accounts with Wales Audit Office.

Decision: To note the report.

**A98 2016/17 The Chief Finance Officer (PCC) and Director of Finance (CC)
Annual Governance Statements for 2016/17**

The DoF presented the Annual Governance Statement prepared by the Chief Constable. The statutory document provides a high level summary of Governance arrangements in place for the 2016/17 financial year and reports on the outcome of the reviews of the effectiveness of the system of internal control and governance undertaken during the year. It also contains details of the risks and gaps identified as part of the process and the actions planned to improve governance.

The DoF highlighted salient points within the report and welcomed comments on the draft report. The DoF confirmed that this document, subject to any amendments, will be added as a draft into the draft Statement of Accounts in June.

VD agreed to provide the Force with the appropriate draft wording on the Head of Internal Audit's annual opinion in advance in order to meet deadlines.

VD left the meeting at this point.

MM made observations appropriate to both DoF and CFO's Statements and highlighted areas for strengthening and areas within the reports requiring consistency. MM agreed to share all his observations with staff. The Chair observed the content size as a point to consider in future.

AM observed that the report was concise and comprehensive and the DoF thanked Members for their useful comments.

MM agreed to discuss Business Continuity within the CFO's Statement with the CFO outside of the meeting.

The CFO asked for an opinion on the layout of the agreed action plan within the Statement and asked Members to observe the change in signatories necessary to meet new requirements.

The CFO thanked Members for all comments which will be taken into consideration. Amendments will be incorporated and the report re-issued electronically for further comments and amendments to meet the deadline date prior to the next meeting.

Before AMSK left the meeting, the Chair asked Members to circulate any comments on the draft Joint Audit Committee Annual Report prior to the next meeting.

Action: VD to provide the Force with the draft wording of the audit opinion in preparation of a draft Statement of Accounts.

Action: Following amendments the report on Annual Governance Statements for 2016/17 be re-issued for further comments and amendments.

Action: 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.

Action: 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.

Action: Members to meet in advance of the next meeting to discuss and agree outstanding items in relation to Joint Audit Committee Annual Report and Terms of Reference.

In response to a question the CoS confirmed that the Joint Audit Committee be comprised of up to five Members.

AMSK left the meeting at this point.

A99 2016/17 Treasury Management Strategy

The Treasury Management Strategy Statement for 2017/18 sets out the policies and procedures the PCC has in place for meeting statutory requirements. The CIPFA Code requires the PCC to approve a Treasury Management Strategy before the start of each financial year and the Guidance on Local Authority Investments requires the PCC to approve an investment strategy before the start of each financial year.

The CFO highlighted one previously reported breach of the Prudential Code Indicator in relation to debt and the Capital Financing Requirement. Discussions had taken place with Treasury Management Advisors and the CFO provided Members with an explanation and rationale. The organisation was to look at ways of reducing the need to borrow externally in 2018/19 and 2019/2020.

The CFO sought feedback on the circulated Strategy.

The Chair questioned borrowing and debt figures over the coming years within the Strategy report and the CFO referred to an uncertainty on the Formula Funding review and the need for flexibility within the Forward Plan and for early discussions on an allocation to Capital Programme.

Decision: Members noted the report.

Decision: The CFO agreed to update Members on the Indicator position at an appropriate time.

A100 2016/17 The Force and OPCC Corporate Risk Registers

Due to a restriction on time the Chair asked for this item to be carried forward to the next meeting.

Decision: Members agreed to discuss the Force and OPCC Risk Registers at the next meeting.

A101 2016/17 Reserves Policy

The CFO brought one amendment to the Members' attention. There were no issues for discussion.

A102 2016/17 Capital Strategy for 2017/18 to 2020/21

MM had previously raised the issue of income from capital receipts within the Capital programme.

AM highlighted his concerns on the amount of borrowing within the Capital Strategy. The CFO echoed Members' concerns and agreed to bring the matter back to the September Joint Audit Committee meeting by which time the outcome of Formula Funding review and Home Office budgets will be known.

Decision: To discuss the Capital Strategy at the September Joint Audit Committee meeting.

A103 2016/17 Data Protection Breaches

RJ provided Members with an update on nine incidents of alleged breaches reported to the Information Commissioner's Office since 29th November 2016.

RJ answered appropriate questions in relation to the alleged breaches.

The Chair indicated that nine breaches as high for a small organisation.

RJ gave a brief summary of past breaches and the outcomes of those breaches in relation to fines.

Decision: The Chair asked for an update in six months on any new and follow up action in relation to the nine breaches.

Decision: It had previously been agreed to report Data Protection Breaches as a standing item to quarterly JAC meetings but Members agreed that a regular agenda item every six months would suffice from here onwards.

RJ alluded to changes within Data Protection which came into force in May 2019 on the obligations and requirements for organisations on Data Protection.

The CoS stated that a number of recommendations from the ICO's office were being worked through by the Legal team. The draft Joint Audit Committee Annual Report referred to future priorities and the CC encouraged members to give consideration on how the Committee could best discharge their responsibilities in line with the CC's offer of one Member attending HMIC meetings. Similarly the offer of attending the Force Information Board as part of that scrutiny role was for consideration.

Decision: To discuss the offer of a Member to attend the Force Information Board during a discussion on the Terms of Reference.

A104 2016/17 Feedback from the All Wales JAC Training Day

MM confirmed the worthwhileness of the training day.

The CoS agreed to circulate actions raised as a result of the training day prior to the next meeting.

Action: The CoS to circulate Members with actions arising from the JAC training day.

A105 2016/17 Minutes of the Corporate Governance Group meeting 1st March 2017

Due to a mix up in dates MM attended the Group meeting on behalf of the Chair.

Decision: The Committee noted the Minutes of the Corporate Governance Group meeting held on the 1st March 2017.

At the end of the meeting it was agreed:

Decision: JAC pre-meet to commence at 8.30am (Chair)

JAC Members to meet at 9.30am

JAC meeting to start at 10am

DECISIONS ARISING FROM MEETING 29th March 2017

Decision N°	Decision Summary	To be progressed by
A90 2016/17	The minutes of the meeting held on 6th December 2016 were accepted as a true record.	Completed
A91 2016/17	Members to consider the option to make amendments to any errors below the material value.	Members
A92 2016/17	That consideration be given to producing a public version, an audio version and other languages.	SR
A93 2016/17	For one Member to lead on HMIC matters and attend internal meetings.	Members (MM agreed)
A93 2016/17	To consider HMIC's offer of joint reporting on HMIC progress on recommendations when discussing Terms of Reference.	Members
A97 2016/17	To note the report on the draft Accounting Policies for 2016/17 Annual Statements.	Completed
A99 2016/17	Members noted the report on Treasury Management Strategy.	Completed
A99 2016/17	The CFO agreed to update Members on the Indicator position at an appropriate time.	CFO
A100 2016/17	Members agreed to discuss the Force and OPCC Risk Register at the next meeting.	Members
A102 2016/17	To discuss the Capital Strategy at the September Joint Audit Committee meeting.	Members
A103 2016/17	The Chair asked for an update in six months on any new and follow up action in relation to the nine breaches.	RJ/Legal Team
A103 2016/17	It had previously been agreed to report Data Protection Breaches as a standing item to quarterly JAC meetings but Members agreed that a regular agenda item every six months would suffice from here onwards.	Completed
A103 2016/17	To discuss the offer of a Member to attend the Force Information Board during a discussion on the Terms of Reference.	Members
A105 2016/17	The Committee noted the Minutes of the Corporate Governance Group meeting held on the 1st March 2017.	Members
	JAC pre-meet to commence at 8.30am (Chair) JAC Members to meet at 9.30am JAC meeting to start at 10am	Members

ACTION SUMMARY FROM MEETING ON 29th March 2017		
Action N°	Action Summary	To be progressed by
A94 2016/17	TIAA to report on comparative work with other Welsh Forces to determine best practice.	TIAA
A95 2016/17	VD to share TIAA's Client Portal with Members.	TIAA
A96 2016/17	That an update on Creditor payments be provided at the next meeting.	DoF
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.	CFO
A98 2016/17	VD to provide the Force with the draft wording of the audit opinion in preparation of a draft Statement of Accounts.	TIAA
A98 2016/17	Following amendments the report on Annual Governance Statements for 2016/17 be re-issued for further comments and amendments.	CFO
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.	Members
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.	Members
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.	Members
A104 2016/17	The CoS to circulate Members with actions arising from the JAC training day.	CoS

The meeting ended at 1pm.

Date of next meeting: 25th July 2017