

**Meeting: Joint Audit Committee**

**Venue: Police HQ**

**Date: 6th December 2017**

**Time: 14:00 – 15:30**

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| **Members:** | Mr Alasdair Kenwright (AMSK)Mr Malcolm Macdonald (MM)Mr Martin Evans (ME) |
| **Also Present:** | Mr Dafydd Llywelyn Police & Crime Commissioner (PCC)Mr Mark Collins, Chief Constable (CC)Mr Darren Davies, Deputy Chief Constable (DCC) Mrs Carys Morgans, Chief of Staff (CoS)Mrs Jayne Woods, Chief Finance Officer (CFO)Mr Edwin Harries, Director of Finance (DoF)Mr Jason Garcia, Audit Manager WAO (JG)Mr Jonathan Maddock Client Manager, TIAA (JM) Mr S Bergiers, Health & Safety Manager, Dyfed-Powys Police (SB)(Agenda item 7 only)Mr A Edwards, Assistant Director Business Support Unit (AE) (Agenda item 7 only)Mrs Anne Williams, Business Support Officer |
| **Apologies:** | Mr Andre Morgan, Mr John Herniman |
| **Declarations of Interest:** | None. |

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| ACTION SUMMARY FROM MEETING ON 31st October 2017 |
| Action No | Action Summary | Progress |
|  **A19 2017/18** |  **The report on the review of Investigations Duty of Care, HR and Financial System to be presented at the next meeting.** |  **Completed** |
| **A19 2017/18** | **A revised report on the review of Firearms Licensing to be presented at the next meeting.** | **Completed** |
| **A21 2017/18** | **The DCC to provide an update on data breaches at the next meeting.** | **Completed** |

**A27 2017/18** **To appoint chair of the Joint Audit Committee**

The CoS welcomed everyone to the meeting. Following nomination by AMSK and support from fellow Members Mr Malcolm MacDonald was appointed Chair of the Joint Audit Committee. MM accepted the position and took the Chair.

The Chair welcomed Mr Martin Evans (ME) to his first meeting as Member and ME gave Members a brief summary of his background.

**A28 2017/18 Minutes of the meeting held on 31st October 2017 and Matters Arising**

The PCC drew attention to a minor typo on the spelling of his surname.

All actions noted within the minutes had been completed and necessary items appeared on the agenda for later discussion.

**Decision: Subject to the noted amendment the minutes of the meeting held on 31st October 2017 were accepted as a true record.**

**A29 2017/18 The external auditor’s annual audit letter 2016-17**

JG summarised the findings from the audit work undertaken over twelve months in relation to both the Police & Crime Commissioner and the Chief Constable of Dyfed-Powys during 2017. An unqualified opinion had been awarded on the 2016-17 financial statements of the Commissioner, Chief Constable and Police Pension Fund. The Commissioner and Chief Constable had appropriate arrangements in place in the year to secure economy, efficiency and effectiveness in their use of resources. Confirmation was provided that the accounts had been completed on 25th July 2017 for the Commissioner and 27th July 2017 for the Chief Constable. JG re-iterated Dyfed-Powys’ achievement to meet the earlier deadline for completion of the accounts and congratulated the DoF, the Finance team and CFO for their achievements in reaching the earlier deadlines.

JG referred to the criteria to assess arrangements for securing economy, efficiency and effectiveness in its use of resources, with no significant issues to report. It was pleasing to note that all statements round the audit of risk were positive statements.

In response to an observation by ME on future learning points, JG alluded to discussions and meetings already taken place and highlighted the challenges for 2017-18 where management had committed to produce the draft financial statements by 31st May 2018.

The Chair thanked WAO for the report and on behalf of the Committee re-iterated their appreciation to the DoF, the Finance team and CFO for their hard work.

**Decision: To note the external auditor’s annual audit letter 2016-17.**

**A30 2017/18 Progress report (SICA) of the internal auditors:**

The report provided the Joint Audit Committee with an update on the progress of work at Dyfed-Powys Police as at 28th November 2017. The report set out progress against the Annual Plan for 2017/18 and the completed reviews for 2017/18 since the previous meeting. In response to a question from the Chair on his concern on delays in relation to ICT Network Security and Change Management, JM confirmed that these issues had been partly resolved and were expected to be finalised in the New Year. The DoF explained the difficulties which led to the delays.

**Decision: To note the Progress Report (SICA) of the Internal Auditors**

**A31 2017/18 Reports of the internal auditors**

1. **Duty of Care, HR and Financial System**

The review assessed compliance with the key corporate procedures for Finance, HR and Duty of Care. The review was awarded limited assurance with six Priority 2 recommendations, two routine recommendations and one operational effectiveness recommendation. JM summarised the Priority 2 recommendations and SB provided an update on the Force’s position and actions undertaken in relation to those recommendations. The DoF also provided reassurance to members that reminders had been issued to purchase card holders on the strict adherence to the transaction limit.

In response to a question from ME on processes for the procurement of equipment the DoF confirmed established procedures in place.

For continuity purposes, under the Management Action Plan ME made a minor observation to suggest that the listing of responsible officers’ job title would be more helpful than the listing of officer’s name or initials. This was accepted.

SB left the meeting.

1. **Overtime & Additional Allowances**

The review checked compliance with the overtime and additional payments policy and procedure. The review was awarded substantial assurance with two routine recommendations on minor issues relating to the updating of Policy and Procedures. It was stated that the Force had effective controls in place for the processing of overtime and additional allowances.

1. **Payroll**

The review considered the arrangements for the creation, amendment and deletion of payroll records; payment of allowances and pay awards; and payment of salaries. The review was awarded substantial assurance with no issues raised.

1. **Interim follow Up Review**

The follow up review established the management action taken in respect of all recommendations arisen from internal audit reviews and whether the management action taken addressed the control issues that gave rise to the recommendations. The evaluation of progress identified 21 recommendations being implemented; 4 in the process of being implemented; 12 had been given a revised target date; with one no longer applicable and one recommendation not implemented.

In relation to Vetting 2017/18, the Force was working towards the HMIC expectation backlog clearing date of January 2019 but JM emphasised that clearing was expected to be implemented in advance of this date. The Vetting Database was no longer applicable due to the forthcoming implementation of a new covert software database with enhanced functionalities.

There were no other areas of concern.

1. **Firearms Licensing**

The review assessed compliance of the application and granting process of firearms and shotgun licenses with the regulatory requirements and Force Policy for Firearms Licensing. The review was awarded reasonable assurance with three Priority 2 recommendations and three Routine recommendations.

JM highlighted the three Priority 2 recommendations and thanked AE for allowing the process of an additional review to look at areas of concern and further areas for examination. As it was a complex area to audit and covered a number of phases AE provided members with reassurance of the processes and administration in place and the work undertaken and resolutions on dissatisfactions and complaints. The PCC stressed that issues had previously been raised and he was also reassured that an enormous amount of work had been undertaken in relation to dissatisfactions and results were now pleasing. The Chair referred to the positive level of assessment being undertaken on areas of concern with these areas being areas of review for inclusion on the forthcoming internal audit programme.

AMSK questioned whether delays from GPs were causing extensive delays in the system. AE referred to their exploration into the requisites of the Police Scotland Model and a discussion followed on system processes. The DoF thanked AE on progressing this area of business and the Chair on behalf of the committee wished to record their appreciation to all involved with the review.

In order to gain an understanding of processes in place and the resources available, ME made an observation in relation to the volume of firearms applications and renewals. AE provided clarification and referred to the potential demand over the next five years. AE was thanked for his attendance at the meeting.

**Decision: To note the reviews of the Internal Auditors.**

**AE left the meeting.**

**The agenda item on Draft Joint Corporate Governance Framework was deferred for discussion at the end of the meeting.**

**The next item had been subjected to the requirements of the Freedom of Information Act 2000, Data Protection Act 1998 and the Office of the Police and Crime Commissioner for Dyfed-Powys’ public interest test and is deemed to be exempt for publication under section 13 of Schedule 12A Local Government Act 1972.**

The PCC had been asked to consider a request received from the Police & Crime Panel to include further detail on items marked as being exempt on agendas of the Joint Audit Committee. It was noted that this request had been considered and actioned.

**A32 2017/18 An update on data breaches**

The DCC provided Members with an update in relation to data breaches.

In terms of going forward the Chair asked Members to consider the continuation of receiving regular updates or to receive periodic reports. The CC suggested that Members give consideration to this following receipt of next year’s ICO report.

In making a decision the PCC referred to the new regulations on General Data Protection Regulation (GDPR) being introduced in 2018 and to the business activity associated with these new regulations. A discussion ensued on the appropriateness of a report in six months’ time.

The Chair thanked the DCC for his comprehensive update and to all staff involved in this area.

**Action: To provide Members with a report on data breaches in six months at the June/July 2018 meeting.**

**The PCC and DCC left the meeting at this point.**

**A33 2017/18 Corporate Governance Group**

The DoF summarised the content of the Minutes of the meeting held on 30th November 2017.

The next meeting of the Corporate Governance Group will be held on 14th February 2018 where the Corporate Governance Annual Governance Statements will be updated and issued in readiness for the March Joint Audit Committee.

The CFO drew Members’ attention to two points raised at the meeting which were not reflected within the minutes.

1. to what extent was the current financial pressures of the Force reflected within the risk register? The Force was facing an additional 1% non-consolidated pay award for Police Officers which was above the budgeted figure and the ongoing investigation into the tragic fire in Llangamarch Wells was an unforeseeable event that was increasingly putting pressure on Force finances.
2. ii) to what extent had the increased pressure on the finance department, as a result of the current financial pressures, and their capacity to support the organisation been discussed and reflected within the risk register?

**Decision: The committee noted the Minutes of the Corporate Governance Group minutes held on 30th November 2017.**

**A34 2017/18** **Draft Joint Corporate Governance Framework**

The CoS introduced the Joint Corporate Governance Framework which had been revised due to changes within the organisation. There was a new Chief Officer team, a new Police & Crime Commissioner and the Chief Officer Group had changed considerably.

In order to provide a more user friendly document that was more widely used within the organisation, a frequently asked questions document would be published alongside the Framework.

The CoS was open to suggestions on how best to take forward the draft already circulated to Members and to members of the Corporate Governance Group for comments and revisions.

The Chair referred to some missing contents for inclusion and it was agreed that Members feedback their responses to the CoS in writing by e mail.

**Action: Members to provide the CoS with feedback on the Draft Joint Corporate Governance Framework.**

**A35 2017/18 Any Other Business**

The CoS informed Members that Mrs Jayne Woods was leaving the organisation and this was likely to be her last meeting in attendance. The post of Chief Finance Officer was currently out for advertisement.

This was also the last meeting for Mrs Anne Williams who was retiring in March.

The CoS thanked both Jayne and Anne for their work in supporting the Joint Audit Committee.

It was also noted that this was Jason Garcia’s last meeting as Audit Manager for Dyfed-Powys and Jason will be replaced by Jason Blewitt as WAO’s Audit Manager.

The Chair thanked all three individuals for the opportunity of working with them.

There was no other business and the Chair closed the meeting by wishing everyone a Happy Christmas and New Year.

**The Meeting closed at 15:30 hrs**

**Date of next meeting: 19th March 2018**

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| DECISIONS ARISING FROM MEETING 6th December 2017 |
| Decision No. | Decision Summary |  |
| D282017/18 | **Subject to the noted amendment the minutes of the meeting held on 31st October 2017 were accepted as a true record.** | **Completed** |
| D29 2017/18 | **To note the external auditor’s annual audit letter 2016-17.** | **Completed** |
| D302017/18 | **To note the Progress Report (SICA) of the Internal Auditors.** | **Completed** |
| D312017/18 | **To note the reviews of the Internal Auditors.** | **Completed** |
| D332017/18 | **The committee noted the Minutes of the Corporate Governance Group minutes held on 30th November 2017.** | **Completed** |

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| ACTION SUMMARY FROM MEETING ON (6th December 2017) |
| Action No | Action Summary | To be progressed by |
| **A32****2017/18** | **To provide Members with a report on data breaches in six months.** | **Force June/July 2018** |
| **A34****2017/18** | **Members to provide the CoS with feedback on the Draft Joint Corporate Governance Framework.** | **Members** |