

MINUTES OF A MEETING OF THE JOINT INDEPENDENT AUDIT COMMITTEE HELD AT POLICE HEADQUARTERS, KIDLINGTON ON 15 MARCH 2019 COMMENCING AT 9.30AM AND CONCLUDING AT 11:25AM

Members Present:

Dr L Lee (Chairman), Mike Day, Richard Jones, Dr G A Woods

Present:

A Stansfeld (Police & Crime Commissioner)
M Barber (Deputy Police & Crime Commissioner)
P Hammond (Chief Executive, OPCC)
I Thompson (Chief Finance Officer, OPCC)
L Waters (Director of Finance)
F Habgood (Chief Constable)
J Campbell (Deputy Chief Constable)
R France (Chief Supt.)
A Cooper (Director of Information)
N Shovell (Chief Internal Auditor, OPCC)
A Shearn (Principal, Auditor, OPCC)
A Balmer (Manager, Ernst & Young)
M Horne (Governance & Service Improvement)
C Roberts (Executive Assistant to the PCC/DPCC, OPCC)

Apologies:

Alison Phillips OBE,
P King (Associate Partner, Ernst & Young)

104 APOLOGIES

The Chair (Louis Lee) (LL) welcomed all attendees and apologies were given for Paul King, Associate Partner from Ernst & Young as well as Alison Phillips (JIAC Panel Member).

(LL) had concerns as to the timing of receiving hard copies of the Agendas which had affected the Panel members in their ability to read the papers in such a short time. It was therefore agreed that the hard copies of the Agendas would be sent out by first class post 8 days before each meeting date and Parts I and II would be separate as and when necessary.

105 PART 1 MINUTES FROM THE LAST MEETING HELD ON 7 DECEMBER 2018

The Minutes of the meeting held on 7 December 2018 were summarised by (LL) pointing out that Minute 89 on page 5 required the word '*the*' removed from the second line and in the final paragraph of Minute 100, it should read... '*The Committee **CONSIDERED** the draft recommended Treasury Management Strategy Statement for 2019/20 for approval*'.

Action: Charlotte Roberts (CR) to amend the minutes of 7 December 2018 and re-upload to the OPCC website.

106 MATTERS/ACTIONS ARISING FROM 7 DECEMBER 2018 MEETING

(LL) congratulated (CR) on producing the finalised 'Action Log' for inclusion within the Agenda and for chasing and finalising any outstanding actions. (LL) confirmed the Panel would like this document to be included in all agendas from now on.

107 TVP RISK MANAGEMENT & BUSINESS CONTINUITY REPORT

The Report had been read in advance by the Committee members and were pleased with the progress made so far as to the levels of transparency of the report and thanks were passed on to the Force for being so open to the changes that the Committee members recommended.

An effective risk management was one of the foundations for good governance and a sound understanding of risks and management was essential for TVP to achieve its objectives and use resources effectively to identify and exploit new business opportunities. Mark Horne (MH) summarised the Risk Heat Map which identified the current strategic risks and maps them in terms of priority based on current risk scores. (MH) confirmed that in relation to SR74 Recruitment and Retention, the Force were below establishment as a result of recruitment and retention issues, whilst demand and the complexity of policing had in fact increased. Funding for 2020/21 could be insufficient to allow the Force to continue to deliver all existing services to the same level of performance and may not accommodate additional demand through increasing numbers, complexity or scope. It was noted that out-of-date mapping was being used by the organisation, would could lead to a number of negative consequences in relation to SR65 Gazetteers. These risks were to public safety, officer safety and potential reputational damage. The levels of assurance provided were based on the risk summary and input from the risk owner. The additional documents supplied, outlined the more detailed activities and benchmarking where this would be available. However, in the future, this would also include how effective mitigating actions had been in the past and confidence around the potential effectiveness of future actions.

In relation to target dates set out on page 33, the Force were going back to Criminal Justice to obtain more reasonable information so there was still a little more work to do on this. The risks for CMP Delivery Delay was being treated through the programme board and the testing programme. However, if there was a delay to the delivery of the Contact Management Programme (CMP), there would be a number of ongoing impacts operationally, financially and also reputational damage to the Force. Testing had proved successful and the likelihood of this risk had fallen.

SR56 LiveLink was required to remain functional until September 2019, which would increase the likelihood of operational issues. The Sharepoint Project Board had now procured a tool which allowed a bulk data migration out of LiveLink, allowing recovery of key data. The Sharepoint project data moving exercise could not take place at present as the LiveLink environment had an instability issue with syncing an active directory. Once this had been resolved, testing would then go ahead but there was a potential loss of 2-3 weeks in the programme whilst this issue was being resolved. The Audit Committee asked whether this was initially a realistic optimism of the target date of 30 March 2019. (LL) accepted the comments given by Amanda Cooper (AC).

The Audit Committee commented on various questions in the report in particular, Recruitment and Retention. A number of issues had come out during discussions in previous meetings and whether it was normal to run on 10% of staff vacancies. Linda Waters (LW) noted that the police staff vacancies showed a downward trend and the Force had been slow in recruiting case investigators but the 'vacancy factor' was now less than financially budgeted for. There had been significant recruitment in Contact Management staff and there was no need for the Audit Committee to be concerned.

The PCC raised his concerns as to the time it took to recruit police officers into the system (approximately 9 months). Some of the new recruits were extremely young and they seem to lose enthusiasm because of the time it takes to become an officer. Chief Constable Francis Habgood (FH) pointed out that police officer training can take anywhere between 6 to 9 months but he felt that if a recruit had made a decision to become a police officer then their mind was already fixed. The Force had been doing a lot of work with Dr Steven Chase (SC) and his team to speed up this process but felt the biggest risks were around police staff. The Audit Committee felt that it may be helpful for (SC) to attend a future JIAC meeting to give the panel an update and provide reassurance as to recruitment. Deputy Chief Constable John Campbell (JC) would therefore liaise with (SC) and arrange for (SC) to attend a future meeting to discuss what focus should be within HR on recruitment and retention.

The Committee confirmed that ICT had been in a good place since August 2017 but did not understand the blue line set out on page 49 for the ICT P1 Incident Volume Trend. (FH) confirmed that this line reported different data points. Richard Jones (RJ) felt that it would be better to show two years of data in the graphs

but Chief Supt. Rob France (RF) disagreed. The P1 incidents were national systems that TVP could not influence and in 2018 (AC) had seen more outages. The graphs were not a total measure of local force supply and (AC) wished this to be noted. (FH) confirmed that more meetings had been set up to influence strategic funding issues and performance and although this was not perfect, significant improvements had been made.

On page 52 the paragraph consisting of four lines that related to business continuity requirements in the event of a 'no-deal' and other Brexit related scenarios required amending and the Audit Committee required an update once this had been completed.

(RF) noted that the Committee could contact him to make an appointment which would enable the members to check source data if required.

Action: (JC) to liaise with (SC) to attend a future JIAC meeting to update the Audit Committee as to recruitment and retention reassurance.

Action: (RF) to amend the paragraph set out on page 52 (four lines) and update the Audit Committee thereafter.

The Chairman of JIAC approved the recommendation to review and note the report as appropriate.

108 OPCC RISK REGISTER

(PH) summarised the OPCC Risk Register that identified eight risks that had the potential to have a material adverse effect on the performance of the PCC and/or of the Office of the PCC, two of these were new risks namely, OPCC23 and OPCC25.

Risk OPCC23 noted the failure to respond to new additional demand or changes in the type of service demand for OPCC related services. The OPCC had become increasingly aware of the number of initiatives that were falling on PCCs to carry out from the APCC and there was a danger that expectations were not being responded to. All notifications that required action would need arrangements to be put in place.

Risk OPCC25 identified the change from the Data Protection Act to General Data Protection Regulation (GDPR) requirements which increased the risk of non-compliance, the consequences of which would be the severity of fines and reputational damage to the OPCC. TVP had launched a mandatory e-learning package earlier on in the year. Richard Jones (RJ) pointed out that a lot of people he knew had carried out this mandatory learning back in May 2018 when the new regulations came in. However, (PH) informed (RJ) that back in June/July 2018, TVP/OPCC had been let down by the College of Policing as the e-learning package that had been provided did not work. The package was removed and later reinstalled around August/September 2018 and completed by all staff by October 2018. (RJ) felt that this should have been recorded in the OPCC Risk Register and should have been flagged up as a risk back in May 2018. (PH) confirmed he would note the comments made and discuss this further with his management team. The review date of 7.2.19 for OPCC25 also needed to be amended to show 'last review' or 'next review' date.

(PH) went on to note that the OPCC was largely non-operational and commissioned victim services with the OPCC adapting to the establishment and requirements. The MoJ wanted PCCs to have more involvement in probation services but with no resources allocated. The PCC was overseeing the Force and holding the Chief Constable to account and were content with the arrangements that were currently in place and had not flagged this up or identified this as a risk. Regular discussions between the PCC and the Chief Constable continue to take place and (PH) felt confident that all activities had been reviewed correctly.

The PCC noted there were currently operational risks i.e. Brexit where TVP supported other police forces i.e. Kent. However, the PCC wanted it noted that TVP had been inspected by HMICFRS and were graded well and that all priorities were being addressed. The OPCC Risk Register would be changing its format shortly to sit alongside that of the Force's Risk Register and this would be provided at the next JIAC meeting on 12 July 2019.

Action: The review date set out at the top of OPCC25 to be amended by the OPCC to show the box as either being the 'last review date' or 'next review date'.

Action: The new OPCC Risk Register to be provided at the next JIAC meeting in July in the same format used by the Force.

The Chairman of JIAC approved the recommendations of the eight issues on the OPCC Risk Register, the actions being taken to mitigate each individual risk and endorsed the proposed changes to the Risk Register.

109 ERNST & YOUNG POLICE SECTOR AUDIT COMMITTEE BRIEFING

Adrian Balmer (AB) had been given assurance from the Audit Committee that they had read the Briefing paper. (LL) noted on page 75 that the report was correct at the time it was written but that the date would need to be amended. The Home Office had announced the roll out of the ESN project in phases starting early 2019 and (FH) noted that the date they would be looking at would be 2020.

Key questions were set out for the Audit Committee on page 78 and Mike Day (MD) referred to question 2 as to whether the Force had applied for any special grants to support policing in the area and were there any lessons that could be learned. The PCC noted that the Force had not applied for any special grant funding but that the Force received government funding for Operation Hornet, Operation Manifold and Operation Lyceum. (FH) confirmed that when there are new opportunities arising, the Force would apply for special grant funding.

Finally, the PCC did not understand why paragraph 11 set out on page 78 of the key questions ended with the word 'your authority'. (AB) confirmed he would feed this back to Ernst & Young and amend as necessary.

Action: (AB) to ensure that the correct date was amended on page 75 of the Police Sector Audit Committee Briefing paper.

Action: (AB) to discuss the word 'your authority' set out in paragraph 11 on page 78 of the key questions with Ernst & Young and amend as necessary.

110 DRAFT ANNUAL GOVERNANCE STATEMENT 2018/19

The draft Annual Governance Statement (AGS) 2018/19 was an early draft and further work would be required before the joint AGS was published in the Annual Statement of Accounts for 2018/19. Following consideration by the Audit Committee, the updated AGS would be presented to the PCC and Chief Constable for their consideration and formal sign-off at the next Level 1 meeting on 25 July 2019. The draft AGS 2018/19 had been fully updated.

(IT) noted that the Arrangements for Review of Effectiveness were set out on page 98 onwards. There were no serious issues identified as per last year's issue and this document had been discussed in an Advisory Group although there was a lot of detail given in this report. On 12 May 2019 the draft AGS would go into the accounts which would then be audited and (IT) confirmed he would send a copy of the finalised version of the AGS to the Audit Committee at the end of the financial year. (AB) noted that it was good to see the draft AGS at this stage at today's meeting.

There were however a few typos which needed to be amended and these were as follows:

- **Page 83 Executive Summary**
The second paragraph should be amended to reflect a change of date from 2017/18 to 2018/19.
- **Page 85 Contact Management Platform**
Paragraph a. needed to be amended to read ...'but the **projected** business benefits outweighed the additional cost and effort to both Forces'.
- **Page 85 Custody Contract**

In the first sentence there was an 'r' missing from the word 'contract' and this would need to be amended.

In considering the AGS and the effectiveness of current governance arrangements, members considered three questions set out on page 87, based on their knowledge of the organisation in which all of the Audit Committee agreed on.

Set out on page 100 of the AGS, the first paragraph would need to be updated by (RF). (JC) noted that this paragraph focussed on all force change and the first paragraph did not reflect the change of TOR.

Action: (IT) to send to the Audit Committee a copy of the finalised version of the Annual Governance Statement at the end of the financial year.

Action: (IT) to amend pages 83 and 85 as to the typos in the covering report for the draft AGS.

Action: (RF) to update the first paragraph on page 100 as this paragraph did not reflect the change of TOR.

The Chairman of JIAC reviewed the draft Annual Governance Statement for 2018/19 and provided feedback to officers.

111 PROGRESS ON 2018/19 INTERNAL AUDIT PLAN DELIVERY AND SUMMARY OF MATTERS ARISING FROM COMPLETED AUDITS

Neil Shovell (NS) referred to some changes that had been made to the 2018/19 Joint Internal Audit Plan since the previous JIAC meeting in December 2018 as to body worn video and some minor audit title updates and day allocation alterations. Since the previous meeting, (NS) confirmed that as at 26 February, there had been six completed audits with either limited assurance or reasonable assurance.

The performance red RAG status' set out in section 2.6 were due to delays in audit testing and reporting. The Audit Committee raised concerns on the external issues that had arisen and the effect on the levels of assurance from the provider. (NS) ensured the Audit Committee that the situation would be discussed and the appropriate correspondence sent to ensure this matter was dealt with appropriately.

Work was ongoing on the 2018/19 NFI exercise. The data matches had been received and work was progressing to review this information. As at the 26 February 2019, there were no issues raised in reviewing the available NFI matches.

The Joint Internal Audit Team had not been notified of any internal control issues by PSD or Corporate Finance since the last meeting held in December.

(NS) went through the tables set out in Appendix A which should be finalised by April 2019.

(LL) wanted to stress to the attendees that the Audit Committee had spent a long time reading the agenda papers and the bullet points set out on page 113 were not encouraging to read.

The Chairman of JIAC approved the recommendation to note the progress and any changes in delivering the 2018/19 Joint Internal Audit Plan and audit service for TVP and the OPCC.

Action: (NS) to discuss the raised concerns by the Audit Committee and the appropriate correspondence sent to ensure the matter was dealt with appropriately setting out the terms of assurance that was required.

112 PROGRESS ON DELIVERY OF AGREED ACTIONS

The report provided details of the progress made by managers in delivering the agreed actions in internal audit reports. The report detailed target implementation dates for any current overdue actions of which were 14.

(LL) confirmed a good picture had been demonstrated in the report and had nothing further to add.

(MD) felt that the updates in the Appendices had gone into a 'too difficult box'. Amy Shearn (AS) explained that the updates are discussed with respondents where necessary to ensure that they reflect the current position and, where originally agreed actions no longer apply, revised actions are confirmed to address the outstanding action or the action is signed off if alternative actions have been taken to address the risk.

The Chairman of JIAC approved the recommendations to note the Report.

113 INTERNAL AUDIT STRATEGY AND JOINT INTERNAL AUDIT PLAN 2019/20

The report set out the Internal Audit Strategy and Joint Internal Audit Plan 2019/20, including the methodology for collating the plan and the audit areas included for 2019/20.

The Joint Internal Audit Plan provided a good level of coverage across both organisations. It was also noted that a number of days had been allocated in the plan to:

- Supervise and oversee individual audit completion;
- Provide any advice or consultancy;
- Administer the quarterly management action follow up process;
- Maintain an overview of any fraud investigations;
- Complete the Internal Audit Annual Report and contribute to the Annual Governance Statement process;
- Review Internal Audit's compliance with the PSIAS;
- Facilitate the resolution of any matches identified through the 2018/19 National Fraud Initiative (NFI) exercise; and
- Finalise any 2018/19 audit reviews.

Additionally, there was an allocation of 10 days that had been agreed for the Audit Committee to utilise, should they request a specific piece of audit work to be completed. These days were not currently resourced within the Joint Internal Audit Plan.

Gordon Woods (GW) asked when there would be a right time to set up and view ERP. (FH) confirmed there was a separate external audit by Grant Thornton, the first one having been completed although the second audit was on hold but (FH) would share the report with the Audit Committee in due course.

Action: (FH) to forward and share the Report with the Audit Committee.

The Chairman of JIAC approved the recommendations to note and endorse the Internal Audit Strategy and Joint Internal Audit Plan 2019/20

114 JOINT CORPORATE GOVERNANCE FRAMEWORK 2019/20

The updated and current version of the Joint Corporate Governance Framework was approved by the Chief Constable and PCC at the Level 1 meeting on 29 March 2018.

A tracked changed version had helpfully been provided to the Audit Committee and there were only questions on the document from them. It was noted that there were considerable changes in the report and the Audit Committee TOR had been changed in December which had been reflected in the Framework. However, this document remained a standing Framework and whoever replaced the PCC in May next year may wish to alter it.

As set out on page 173 paragraph F2, the PCC confirmed that he developed and maintained effective arrangements to hold to account his two statutory officers, being the Chief Executive and Chief Finance Officer for their respective functions and the performance of the OPCC. The PCC also confirmed that he had regular meetings and one-to-one meetings within the office. Appraisals were in place and each month a Senior Management Group (SMG) meeting took place which covered a wide variety of issues such as work programmes and setting out tasks etc. The PDR system was also rolled out across the office and adhered to.

The Chairman of JIAC approved the recommendation to scrutinise the draft Corporate Governance Framework and recommended it to the PCC and Chief Constable for approval and adoption at their Level 1 meeting on 26 March 2019.

115 ANY OTHER BUSINESS

With the departure of (FH), (LL) indicated it had been a pleasure working with him and welcomed as of 1 April 2019 the new Chief Constable John Campbell.

The meeting concluded at 11:25am

Date of next meeting 12 July 2019 at 10.30am the Conference Hall, TVP Headquarters South