

**MINUTES OF A MEETING OF THE JOINT INDEPENDENT AUDIT COMMITTEE HELD AT POLICE HEADQUARTERS, KIDLINGTON ON 16 MARCH 2018 COMMENCING AT 12.00PM AND CONCLUDED AT 2.30PM**

**Members Present:**

Dr L Lee (Chairman)(LL), M A Day (MD), Mrs A J Phillips OBE (AP), Dr G A Woods (GW), Richard Jones (RJ)

**Present:**

A Stansfeld (Police & Crime Commissioner)  
J Campbell (Deputy Chief Constable)  
A Cooper (Director of Information)  
M Lattanzio (Head of ICT Dept.) for agenda items 14 & 15  
L Waters (Director of Finance)  
I Thompson (Chief Finance Officer, OPCC)  
N Shovell (Chief Internal Auditor, OPCC)  
A Shearn (Principal Auditor, OPCC)  
A Balmer (Manager, Ernst & Young)  
L Knight (Admin Assistant, OPCC)  
M Horne (Governance & Service Improvement)  
S Holland (Governance & Service Improvement)

**Apologies:**

M Barber (Deputy Police & Crime Commissioner)  
F Habgood (Chief Constable)  
R France (Chief Supt.)  
P Hammond (Chief Executive, OPCC)

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**46 MINUTES OF THE LAST MEETING HELD ON 13 DECEMBER 2017**

**Minute 34** This action was for AC to provide an updated paper to the Committee members regarding cyber security risk. Actions and feedback had been received and a briefing paper had been prepared which would shortly be presented to JCOG. This agenda item would be discussed in Part 2.

**Minute 35** CH to liaise directly with LL as to the date for the Committee members to attend the practical presentation on the management of risks by the force.

**Minute 37** The OPCC Staff Structure had been updated and sent to the Committee members to incorporate narrative for each staff member who worked for the Office of the Police & Crime Commissioner (OPCC).

**Minute 40** Firearms storage issues would be discussed during the meeting.

**Minute 41** NS confirmed both actions had been completed as set out in Minute 41 and updated the Committee members.

The Committee **APPROVED** and **AGREED** the Minutes.

## 47 TVP RISK MANAGEMENT REPORT

In accordance with the Operating Principles of the Committee agreed at its first meeting held on 27 March 2013, the Committee has the following responsibilities in respect of risk management:

- Consider and comment upon the strategic risk management processes; and
- Receive and consider assurances that organisational risks are being managed effectively and that published goals and objectives will be achieved efficiently and economically, making recommendations as necessary.

The attached report provided an overview of risk management policy and processes adopted by Thames Valley Police covering such issues as a strategic risk management framework, training, analysis of the Strategic Risk Register and potential risks to be considered.

### **SR65 Gazetteers out of date, Risk Owner ACC Hardcastle**

The gazetteer currently in use in CHARM and OASIS was out of date which would be resolved when the CMP is rolled out live. CMP is to be rolled out between April and May. This will not resolve the issue with different gazetteers in use by RMS. RMS is expected to be upgraded in the summer.

### **SR74 Force resilience (Workforce Resilience Gold Group)**

The force have experienced recruitment and retention pressure as a result of increased demand for policing services in recent months. The force are currently around 100 officers below establishment. 50 of these are PCSO's and 50 Contact Management. Retirements, resignations and transfers to other forces is why there are difficulties meeting recruitment targets. Dr Steven Chase chairs a Gold Group meeting bi-monthly to monitor the immediate risks and recruitment process.

JC went on to discuss the risks that were considered and de-escalated to the local risk register at the FRMG dated 20 February 2018. The issues around availability of fleet vehicles within certain LPA's were currently being managed as part of BAU through fleet sharing and leasing.

The work planned for the coming months included the Strategic Governance Unit's Internal Audit of Force Risk Management which spans November 2017 until May 2018. This will enhance the development of work being undertaken post go-live of the unit. Benchmarking and audit outcomes will be worked on alongside departmental leads and LPA Commanders to identify areas where processes can be refined and risk management made more user friendly. Plans for possible new processes will be taken to the CCMT meeting in April after the results from Audit.

**ACTION: JC to report back on the review of risks from the April CCMT meeting.**

LL mentioned that the scoring matrix for Risk Management received and considered by CCMT would help monitor whether the risks were frequent or infrequent.

**ACTION: JC will circulate a scoring matrix to the Committee members. This information will also be provided in future reports to JIAC**

JC clarified that the risks on the Risk Register were specific to the organisation as opposed to national issues. National level risks are not necessarily included in the Risk Register.

The Committee **APPROVED** and **NOTED** the report as appropriate.

## 48 TVP BUSINESS CONTINUITY REPORT

In accordance with the Operating Principles of the Committee agreed at its first meeting held on 27 March 2013, the Committee members have the following responsibilities in respect of risk management

- Consider and comment upon the strategic risk management processes; and
- Receive and consider assurances that organisational risks are being managed effectively and that published goals and objectives will be achieved efficiently and economically, making recommendations as necessary.

The attached report provided an overview of Business Continuity Management policy and processes adopted by Thames Valley Police together with the most recent quarterly progress report covering such issues as training, learning from business continuity incidents and training exercises.

The paper states that it provides an annual overview as well as the most recent quarterly report, which it did not. In previous years the annual element of the report contained important information about the year's performance. It was agreed that it was not a deliberate omission and the annual report will be provided for the next meeting.

From a force point of view, there were a total of 36 incidents from November 2017 to January 2018 (Thames Valley Police or joint incidents only), 3 of which were priority one incidents. JC addressed the priority one incidents individually.

On 17 November 2017 at 14:55, 50% of users across multiple sites were unable to access any systems, including users within Contact Management. The total outage time was recorded as 2.75 hours and had a critical impact rating by ICT. The root cause was found to be a faulty link with the core switches at Fountain Court and the service was recovered once these were removed.

On 12 January 2018 at 22:47 PCN was reported to be unavailable nationally. The total outage time was 19 minutes and had a high impact rating due to the PCN being a critical system. The root cause was found to be due to a software issue identified by Hendon. Hampshire Constabulary remained unaffected and Thames Valley Police will be moving to a similar connection.

On 16 January 2018 at 09:59 there was a further national PCN outage report which lasted 17 minutes. This was also recorded as high impact. The root cause has not been communicated to forces. ICT are investigating the recent outages with Hendon.

The Business Continuity plans are continuing to be reviewed to ensure the force are compliant with the Government Security Classification (GCS) Scheme.

The United Kingdom Accreditation Service (UKAS) inspection to South East Regional Organised Crime Unit (SEROCU) e-Forensics and Cyber teams are complete and there are no further business continuity actions or recommendations for Governance and Service Improvement to Consider.

The force Resilience and Business Continuity Practitioners Group met for the second time and will continue to monitor incidents and potential disruptions.

JC summarised business continuity going forward for the force and the activities planned for the next period. The Governance Team will be working with ICT to review their Business Continuity plans and make changes following their exercise. Further exercises will be planned in due course. The Corporate Governance Officers will complete their visits to the Senior Management Teams to help inform the review processes around the governance processes. Governance will begin reviewing the business continuity process.

The Committee members agreed that the pyramid diagram was a useful way to show the Review of Priorities and would want to see its use continuing.

The Committee **APPROVED** and **NOTED** the report as appropriate.

#### **49 OPCC RISK REGISTER**

Members were reminded that the OPCC Risk Register identified those risks that had the potential to have a material adverse effect on the performance of the PCC and/or the OPCC and our ability to deliver strategic objectives, as well information on mitigating those risks.

There were currently three discrete risks on the register, as shown in the Appendix (not reproduced).

IT gave an update as to Risk OPCC16 stating that the OPCC would be recruiting for the Governance Officer role shortly which would increase capacity to meet the legislative requirements. The updated staff structure had been circulated to the Committee members prior to the meeting and the redesign of the Victims Support Services referred to in Risk OPCC17, was on track for completion.

LL noted that the colour coding on page 30 was incorrect and should be the opposite way round.

The Committee **APPROVED** and **NOTED** the report as appropriate.

#### **50 DRAFT ANNUAL GOVERNANCE STATEMENT 2017/18**

Local authorities, including the police, are required to produce an Annual Governance Statement (AGS) to show the extent to which they comply with their own code of corporate governance.

The appendix to the report (not reproduced) was a single, combined AGS which showed how the Chief Constable (CC) and the Police and Crime Commissioner (PCC) had complied with their joint Code of Corporate Governance during 2017/18.

This was an early draft and further work would be required before the joint AGS was finalised in May, for inclusion within the annual Statement of Accounts for 2017/18 that the CC and PCC were producing.

The review of effectiveness of the present governance arrangements were still being considered and at this early stage, there were NO significant issues that required immediate attention nor, were there any potential issues that could have an adverse impact on the internal control environment during 2018/19. However, this could change over the coming months before the AGS was finalised.

The Governance Working Group considered a number of key national and local issues and/or potential concerns. The issues and reasons were not included in the action plan but were set out in the papers and IT explained each one. The wording would need to be amended on the Annual Governance Statement before July 2018 when the report was bought back to JIAC.

The Committee members were invited to review the Annual Governance Statement and provide feedback to officers.

At paragraph 1.6 on page 34, LL thought the final sentence should be removed from the document '*...This is a more comprehensive update than provided in prior years' governance statements...*'. IT agreed

JC provided further information on the recent HMIC inspection report on Data Integrity and Crime Reporting. The "requires improvement" rating came as somewhat of a surprise to the force and largely reflected a difference in interpretation between HMIC and local forces. JC explained that no victims had suffered as a result of the local TVP recording practice.

It was noted that the Complaints, Integrity & Ethics Panel gave a reassuring view on how matters were handled by the force and that they review or develop policies as mentioned by HMICFRC. IT agreed to update the AGS accordingly

A further update would be provided to the Committee members on 13 July before being presented to the CC and PCC for their consideration and a formal sign-off at the Level 1 meeting on 25 July 2018. The Committee members wanted to see a copy of the final document before it was published. There were no major issues reported for 2018/19 and IT summarised each point that he considered was an issue.

It was agreed that the AGS provided an accurate representation of the corporate governance and internal control environment in place in Thames Valley Police during 2017/18. Committee members were happy to endorse the statement confirming that no significant governance issues were required during 2017/18. Once the changes had been revisited by GAG, the Committee members would be happy with the list of potential governance issues as set out at 1.9 under 'Local Position' on page 34 of the reasons provided by the Governance Advisory Group for not including them.

The PCC left the meeting at this point due to a prior engagement.

**ACTION: IT to circulate the updated AGS to the Committee before it is published within the Annual Statement of Accounts.**

The Committee members **APPROVED** the recommendation set out in the Executive Summary.

## **51 JOINT CORPORATE GOVERNANCE FRAMEWORK 2018/19**

Committee members were advised that the Corporate Governance Framework provided clarity on the way the two corporations' i.e. the CC and PCC of Thames Valley govern both jointly and separately to ensure that they are conducting business in the right way, for the right reason and at the right time.

It consisted of:

- Statement of corporate governance – statutory framework and local policy.
- Code of corporate governance – sets out how the core principles will be implemented.

- Scheme of corporate governance – defines the parameters within which the corporations sole will conduct their business.
- Separate policy and procedures for each corporation sole, with protocols and other governance documents where they operate jointly.

The current version was approved by the CC and PCC at the Level 1 meeting on 31 March 2017.

Since the above date, the Framework had been reviewed and updated accordingly.

The tracked changed copy of the document was emailed out to the Committee members prior to today's meeting.

Committee members were invited to review the Framework and provide any feedback to IT, Chief Finance Officer/Deputy Chief Executive at the OPCC.

The Committee members **APPROVED** the recommendation set out in the Executive Summary.

## **52 EXTERNAL ANNUAL AUDIT PLAN 2017/18**

AB summarised the significant accounting and auditing matters outlined in the report which seeks to provide the CC and the PCC with an overview of initial risk identification for the upcoming audit and any changes in risks identified in the current year which were all in line with the previous year.

Other areas of the audit were identified but had not been classified as significant risks. These were still important when considering the risks of material misstatement to the financial statements and disclosures and therefore, may be key audit matters that were included in the audit report. The main area of risk was the Pension Liability Valuation and Actuarial Assumptions as well as Valuation of Land and Buildings and Fixed Asset Register.

The Local Authority Accounting Code of Practice and IAS19 required the CC to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Buckinghamshire County Council. The PCC to do the same in respect of the Police Pension Fund. The PCC and CC's Pension Fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the respective balance sheets of the CC and PCC. As at 31 March 2017 this sum totalled £2.6 million and £4337 million respectively.

As part of the 2016/17 Audit, Ernst & Young LLP identified a number of minor issues as to the Fixed Asset Register. These issues were reported in the Audit Results Report but none of them were considered to be material in 2016/17. Ernst & Young's approach would be to focus on reviewing the key areas where issues were found in 2016/17 and ensure that these similar errors do not exist in 2017/18.

As to the audit process and strategy, Ernst & Young LLP are required to consider whether the CC and PCC have put in place 'proper arrangements' to secure economy, efficiency and effectiveness on their use of resources.

Computer-based analytics tools were used to capture whole populations of financial data, in particular, journal entries.

- Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- Give a greater likelihood of identifying errors than random sampling techniques.

All findings from this process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement are then reported to management and the Joint Independent Audit Committee.

The timetable of communications and deliverables showed the key stages of the audit and deliverables through the audit cycle for 2017/18. From time to time matters may arise that require immediate communication with the CC and PCC and these would be discussed with the Joint Independent Audit Committee Chair as appropriate. There was nothing significant to report from the interim audit testing.

The Committee **NOTED** the report.

### **53 ERNST & YOUNG POLICE SECTOR AUDIT COMMITTEE BRIEFING**

The sector briefing covered issued which could impact on the organisation, the Police sector, and the audits that are undertaken and bring together not only technical issues relevant to the Police sector but also wider matters of potential interest to the organisation.

AB summarised the rest of the briefing report noting in particular the error on page 222. The paragraph beginning ‘...of the 43 police *officers* across England and Wales some 25 police forces saw police officer numbers fall in the previous 12 months’. This should instead read ‘...of the 43 police *forces* across England and Wales some 25 police forces saw police officer numbers fall in the previous 12 months.....’.

The Committee **NOTED** the briefing given by Ernst & Young.

### **54 INTERNAL AUDIT PROGRESS REPORT**

The report provides details on the progress made in delivering the 2017/18 Joint Internal Audit Plan and on the findings arising from the audits that had been completed.

NS noted there had been no changes to or impacts on the Joint Internal Audit Team’s resource plan for 2017/18, with the plan being delivered by the Chief Internal Auditor, Principal Auditor and TIAA Ltd (ICT audit provider). There were 5 ongoing audits outstanding although the final reports would be sent out at the end of April 2018.

The RAG status for current performance against each indicator were set out on page 227 showing details of the delays. It was noted that management pressure would have improved this performance.

The Committee **NOTED** the progress and changes in delivering the 2017/18 Joint Internal Audit Plan and audit service for TVP and the OPCC.

### **55 PROGRESS ON DELIVERY OF AGREED ACTIONS IN INTERNAL AUDIT REPORTS**

The report provided details of the progress made by managers in delivering the agreed actions in internal audit reports.

There were currently 16 priority 1 overdue actions. RJ noted that trends for the overview outstanding actions were spreading over various departments. However, it was noted that illness and vacancies could have caused these delays.

The Committee members **NOTED** the report.

## **56 INTERNAL AUDIT STRATEGY AND JOINT INTERNAL AUDIT PLAN 2018/19**

This report detailed the Internal Audit Strategy and Joint Audit Plan 2018/19, including methodology for collating the plan and the audit areas included for 2018/19

NS ran through the issues for consideration in the report which included in particular details on the following:

- Strategy for delivering the Joint Internal Audit Service for TVP and the OPCC.
- Methodology applied in collating the plan of audit work.
- Resources available for delivering the audit service.
- Details of each area that would be reviewed during the year and the days allocated.
- Service performance indicators that will be monitored and reported on during the year.

The Joint Internal Audit Plan provided a good level of coverage across both organisations. The areas covered within TVP were:

- Three audits being completed within Crime and Criminal Justice, looking at the areas of Body Worn Video, County Drug Lines and the Multi Agency Safeguarding Hubs (MASH).
- Two reviews are being completed within Local Policing in relation to LPA Financial Controls and Partnership Information Data Sharing.
- One area within Regional Crime and Counter Terrorism, looking at Counter Terrorism Policing South East's Financial Management.
- Within Information and Communication Technology, three audits are being completed, focusing on Asset Management, Network Management and Knowledge Transfer. One audit will also be completed within Information Management, looking at the organisation's approach to the New General Data Protection Regulation.
- Within the Deputy Chief Constable's portfolio, three strategic audits are being completed which would focus on changes to the Force's Risk Management and Business Continuity arrangements, Force Performance Management and Delivery Plan Performance and the Force's approach to Project Lessons Learnt and Benefits Realisation. One further audit will be completed on the Chiltern Transport Consortium's Governance Arrangements.
- Two audits to take place within Finance looking at the Force's Key Financial Controls and Contract Management.
- Two audits to be completed within People, focusing on the Acting's and Promotions process and the Force's Recruitment.
- The Joint Internal Audit Team are responsible for auditing the non-collaborated functions within Operations. The audit planning process did not identify any areas that needed to be included within the plan.

Within the OPCC two audits are being completed:

- 1) A review of the operations of the new Victims First Hub.
- 2) A review of the OPCC's process for completing Statutory Responses (FOI, GDPR and Subject Access Requests).

It was noted that Performance Indicators had been slightly modified this year.



Operational audits were in line with operational issues as it stands at the present time.

The Committee **APPROVED** the recommendations set out in the Internal Audit Strategy and Joint Internal Audit Plan 2018/19.

## **57 ANY OTHER BUSINESS**

The next Joint Independent Audit Committee meeting should be scheduled to last at least 3 hours since the meeting will receive all the usual year end reports as well as the final accounts and audit-sign reports from external audit.

JC updated the Committee on the firearms storage situation and confirmed that these issues had improved across the force. Oxford and Milton Keynes were now in a good place but more focus on Bucks would be required. The firearms storage backlog would be cleared by September 2018 and business would carry on as usual. The risks were being managed by the force and a number of firearms were being checked in.

**Date of next meeting 13 July 2018 at 10.30am the Conference Hall, TVP Headquarters South**