

**POLICE AND CRIME COMMISSIONER FOR WILTSHIRE
AND CHIEF CONSTABLE OF WILTSHIRE POLICE**

**Minutes of the JOINT INDEPENDENT AUDIT COMMITTEE
held on Thursday 19th July at 2.00pm
at Melksham Police Station, Melksham**

Present: Mr K Bellamy (Chairman), Mr A Blair, Mr D Line

In Attendance: Mr A Macpherson (Police and Crime Commissioner), Mr C Barker (Chief Finance Officer), Mr N Darwish (Deputy Chief Executive), Craig Holden (ACC), Ms G Hawkins (Grant Thornton), Mr I Murray (Grant Thornton), Mr J Murray (Grant Thornton), Miss S Kyte (minutes)

PART I: Items to be considered whilst the meeting is open to the public

1. **Apologies** Rupert Bamberger (SWAP), Rohan McMillan (JIAC Member), Kier Pritchard (Chief Constable), Laura Wicks (SWAP)
2. **Declarations of Interest** There were no declarations of interest.
3. **Minutes of the Joint Independent Audit Committee meeting held on 7th June 2018**

Resolved: *To approve the minutes of the meeting held on 7th June 2018 as an accurate record and for the Chairman to sign the minutes.*

4. **Outstanding Actions**

Meeting Date: 21st March 2018

Minute 7a Medium Term Financial Strategy (MTFS): It was agreed that the Chairman would resend the questions raised by Members to the CFO for response. This response is attached at Appendix A to these minutes.

Minute 10 JIAC Annual Self-Assessment: The Chairman informed the meeting he had had further discussions with internal audit and agreed with them there appeared to be merit in further developing the IAA framework. The Chairman will forward this to the CFO in due course for appropriate action.

Meeting Date: 7th June 2018

Minute 11 Outstanding Internal Audit Recommendations: The Committee Chairman asked whether there was a possibility that internal audit would be unable to provide an audit opinion this year due to delays in the start of audits / completion of reports due to Op Fairline and Op Fortis. The CFO stated he did not believe this to be the case and that updates on these two operations would be provided in the Chief Constable's update later in the agenda.

- Resolved:**
- a) *That the Committee Chairman would forward the questions raised by Members in relation to the MTFS to the CFO who would respond accordingly.*
 - b) *That the Committee Chairman would forward the IAA framework to the CFO for development.*

- c) *To note the updates provided with regard to the outstanding actions and for these to be updated accordingly.*

5. Police and Crime Commissioner Update A verbal update was provided by the Police and Crime Commissioner and the following key issues noted:

Op Fairline and Op Fortis: An additional £2.5m had been received from the Home Office to cover some of the costs incurred as a result of these two operations. The PCC and his office would continue to liaise with the Home Office with regard to funding. The APCC and the NPCC had jointly commissioned a review of three major incidents one of which was Op Fairline / Op Fortis (alongside the Grenfell fire and the Manchester Arena bombing). It is likely the PCC and the Force would be asked to present to a conference and this information would be shared with JIAC Members.

Appointment of Deputy PCC: The PCC would be sitting with the Leader of Wiltshire Council, a Swindon Borough Council representative, and a Human Resources professional to interview for the role of Deputy PCC on 24th July 2018. Six candidates had been shortlisted for interview from the 21 applications received.

- Resolved:**
- a) *To note that any information presented to a national conference in relation to Op Fairline and Op Fortis would be shared with JIAC Members.*
 - b) *To note the update provided by the Police and Crime Commissioner.*

6. Chief Constable Update The ACC provided a verbal update on behalf of the Chief Constable and the following key issues noted:

Op Fairline and Op Fortis

- The Force had received support from other forces via mutual aid (1,200 officers from 40 forces)
- Agreement reached with the Home Office to provide private security guards which has reduced the pressure on the Force
- High level searches were still taking place
- Good and positive feedback had been received from officers involved in the two operations around the level of support in place and management of their welfare
- Financial recovery was ongoing through special grant application to the Home Office
- Number of debriefs commissioned for Op Fairline, one of which took place before the start of Op Fortis, and the recommendations from that debrief had been considered and implemented for Op Fortis

Demand Challenge

- Number of calls to Wiltshire Police has exceeded those received on New Years' Eve in 2017-18
- Due to investment from the PCC abandonment rate is lower than the same time last year despite higher level of calls
- Whilst Op Fairline and Op Fortis have been ongoing, Force has provided officers (via mutual aid) to assist with the US President visit to the UK and the Royal International Air Tattoo

Leadership and Engagement

- ELT replaces the former Senior Command Team and has been expanded to include senior police staff to provide advice and engage with the Chief Constable
- Culture survey had been commissioned jointly with the PCC and the results of this were currently being analysed
- A 'ride along' scheme was being offered to external stakeholders to give them a flavour of what policing is all about and this invitation was extended to JIAC Members

Vision 2025

- Force are in the process of designing a delivery plan that follows the national policing Vision 2025 strategy whilst ensuring this fits with the Commissioner's Police and Crime Plan

Force Management Statements (FMS)

- HMICFRS have placed a requirement on all forces to produce a FMS
- The draft document for Wiltshire is 156 pages long but the Force has been clear and honest on those areas which need to be developed and improved – this may cause some difficulty if other forces have not been as open
- The CFO suggested that Members may wish to consider the feedback provided on the FMS and it was agreed to schedule this for the March 2019 meeting

The Committee Chairman thanked ACC Holden for the updates provided and that he felt this endorsed the need for a Chief Officer to be present at these meetings.

- Resolved:**
- JIAC Members to note the invitation to take part in the 'ride along' scheme and to notify the Commissioning and Policy Officer if they wished to do so.*
 - Force Management Statement feedback to be considered at the JIAC meeting for March 2019.*
 - To note the verbal update provided by the ACC.*

7. **PCC Risk Register** An abbreviated report by the Deputy Chief Executive had been circulated. The following points were noted:

Risk 19 (Police collaborative arrangements do not deliver anticipated benefits due to weak governance and accountability and / or the impacts outweigh business benefits): The DCX gave a brief verbal update on the current situation with regard to tri-force arrangements and the work of the Governance Board and Operational Group which had been established in the last 18 months. Members noted that the service element of collaborative agreements may be included in internal audit plans but not the governance element. Following receipt of a letter from the Avon and Somerset Audit Chairman, it was felt useful to have a discussion about how collaborative arrangements were audited and how the cost of this was met. Members felt they should expect to see collaboration appearing more in the internal audit programme. It was agreed that this would be raised with internal audit at the November meeting to ensure opportunities were being taken to share collaboration reports.

- Resolved:**
- To raise the issue of collaboration and auditing of collaborative arrangements with internal audit at the November meeting.*
 - To note the report and the updates provided.*

- 8. Joint Independent Audit Committee Terms of Reference and Standing Orders**
The Committee Chairman asked for 'December' to be amended to 'November' in Paragraph 4.1.

Resolved: *To make the above amendment and to note and approve the Standing Orders and the Terms of Reference for the Committee.*

- 9. Joint Independent Audit Committee Draft Work Plan 2018-19**

Resolved: *To note and approve the work plan of the Committee for 2018-19.*

- 10. Joint Audit Findings 2017-18** Grant Thornton stated they were proposing to issue unqualified opinions for both the PCC and the Chief Constable Statement of Accounts and their conclusion on Value for Money was that 'the PCC and the Chief Constable each had proper arrangements in all significant respects to ensure they delivered value for money in their use of resources'.

This was the first year that the earlier deadlines had been imposed and, with Op Fairline taking place at the same time, to complete the Statement of Accounts on time was a significant achievement.

Grace Hawkins highlighted the key elements of the Joint Audit Findings report and Iain Murray talked Members through the Value for Money conclusion.

The following points were noted:

- David Line stated he felt that the 'Going Concern' in the report highlighted 'traditional' issues and that collaboration was an issue to be raised – Grant Thornton replied that this was more inward focussing and that Value for Money considers collaboration in more detail
- Grant Thornton felt it was prudent that reserves held were for specific projects and would be challenging this more if this was not the case
- Following the APCC General Meeting held on 18th July, it would appear that the Home Office would no longer be reviewing the funding formula although no formal announcement of this had been made

Resolved: a) *To thank the CFO and his finance team for all their hard work in completing the Statement of Accounts whilst balancing the demands of Op Fairline.*

b) *To note the content of the report.*

- 11. Statement of Accounts for 2017-18**

Resolved: *To note the Statement of Accounts and for these to be signed by the CFO and the PCC.*

- 12. HMICFRS Value for Money Profiles** The CFO reported that this had been due to be considered at an internal meeting and discussed with the ELT before updating the JIAC. As a result of Op Fortis this had not happened. It was agreed the update for JIAC would be deferred to the November meeting.

Resolved: *To defer an update on the Value for Money Profiles to the November meeting.*

- 13. Insurance Arrangements** A report by the CFO had been circulated. It was noted that Broker submissions were due in September 2018 and that scoring had been amended to 30% cost and 70% quality (previously it was 70% cost and 30% quality). It was hoped this would allow for some innovative processes to be presented.

Resolved: To note the report and update provided.

- 14. Review of PCC Whistleblowing Statement**

Resolved: To note the content of the policy.

- 15. Joint Independent Audit Committee Annual Statement**

Resolved: To delegate authority to the JIAC Chairman and the OPCC DCX to produce a draft annual statement for circulation to Members prior to approval.

- 16. Date of Future Meetings**

Thursday 15th November 2018 at 2.00pm

The following future meetings were agreed:

Wednesday 27th March 2019 at 2pm

Wednesday 5th June 2019 at 2pm

Thursday 18th July 2019 at 2pm

Thursday 14th November 2019 at 2pm

Thursday 19th March 2020 at 2pm

Thursday 4th June 2020 at 2pm

Thursday 16th July 2020 at 2pm

Thursday 12th November 2020 at 2pm

PART II: Items during whose consideration it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

- 17. Exclusion of the Public**

Resolved: In accordance with Standing Order 6 of the Committee's Standing Orders to exclude the public from the meeting for the business specified in Items 18 and 19 below because it is likely that if a member of the public were present there would be disclosure to them of exempt information as defined in Paragraph 7 (information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime) of Appendix 2 of the Committee's Standing Orders.

- 18. Confidential Minutes of the Joint Independent Audit Committee meeting held on 7th June 2018**

Resolved: To approve the confidential minutes of the meeting held on 7th June 2018 as an accurate record and for the Chairman to sign the minutes.

- 19. Force Risk Register** A revised update was circulated to Members. The CFO stated that some new risks had been identified of which he had some queries. These would be raised and resolved in advance of the November meeting.

Resolved: To note the revised Force risk register.

The meeting commenced at 2.00pm
and concluded at 3.40pm



Keith Bellamy
JAC Chairman

GLOSSARY

ACC	<i>Assistant Chief Constable</i>
APCC	<i>Association of Police and Crime Commissioners</i>
CFO	<i>Chief Finance Officer</i>
CMB	<i>Commissioner's Monitoring Board</i>
DCX	<i>Deputy Chief Executive</i>
ELT	<i>Executive Leadership Team</i>
FMS	<i>Force Management Statement</i>
HMICFRS	<i>Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services</i>
JAC	<i>Joint Independent Audit Committee</i>
MTFS	<i>Medium Term Financial Strategy</i>
NPCC	<i>National Police Chiefs Council</i>
OPCC	<i>Office of Police and Crime Commissioner</i>
PCC	<i>Police and Crime Commissioner</i>
SBC	<i>Swindon Borough Council</i>
SWAP	<i>South West Audit Partnership</i>

Questions raised by Members on the Medium Term Finance Strategy (MTFS) and responses from the Chief Finance Officer:

1. *As a very technical document would a plain English summary aid the lay reader?*

We have published in the past summaries of documents such as the annual accounts. There has been no evidence of activity and as such with austerity and limited resources no longer do this. The Executive Summary aims to give a lay reader an overview of the document in 2 pages, if you think this could be improved (within the 2 page limit) I would be open to change this.

2. *Manpower numbers do not appear across all years of the plan and from our position this means the document fails to offer a complete perspective. Should the numbers be applied across the full term of the plan?*

Whilst it would be good to publish manpower numbers across the full years the reality is that they will change depending on the funding available. I could estimate the impacts however that would be very much a guess and may lead to the PCC and Chief Constable having to defend published numbers which are very subjective. I will look at this again in the new MTFS and see whether more information could be published.

3. *Will the Legacy Council Tax continue into the future?*

The Legacy Council Tax funding is now part of the December settlement. If this was to be removed it would lead to a significant cut for all PCCs. Whilst there is no documentation saying it will stay the likelihood is that it will due to the political fallout from removal.

4. *What is the Collection Fund Surplus?*

Each year the collecting authorities (Wiltshire Council and SBC) have to estimate the collection rate (the number of people who will pay less than those who don't) for council tax and the number of dwellings that have to pay council tax (considering new builds). The exact figure is not available and hence there is always a variance. The variance is shared between the precepting bodies (councils/fire/police) in the next year. Due to the impact of over estimating (ie further cuts in future years) an amount of prudence occurs and hence a surplus is normal (a deficit is possible). The decision on collection rates is made by the collecting authorities so is outside of PCC control.

5. *How was the 1.5% increase in the Tax Base chosen and has it been subjected to any sensitivity analysis?*

The tax base increase considers comments from the collecting authorities, past increases and general local knowledge (ie. is there an increase in local building going on). No sensitivity analysis occurs however this could be added in future MTFS's.

6. *Why is investment income reducing when interest are being predicted to rise?*

Over the past few years the target income level has not been met. In initial years the PCC was still able to secure safe investments at around 2%, in the last few years this has not occurred with a return of 0.7% being more prevalent. This resulted in a return of £0.123m last year. In 2018-19 the budget was reduced from £0.250m to £0.200m to reflect this. Current forecasts suggest that this lower figure is still a stretch with the current estimate for 2018-19 being £0.165m.

7. *How is governance applied to the document; who is it for; how is it approved; when is it reviewed; how is success or failure measured in relation to the plan; is the MTFs shared with the public and is there any feedback (from anyone) regarding its utility?*

The initial version of the MTFs is received by the PCC and Chief Constable at CMB in November for review and comments. This is then updated based on the actual settlement and recirculated early January. This is then provided to the Police and Crime Panel in January with a presentation and then questions asked. At this stage the MTFs is published on the Wiltshire Council Panel website and the PCCs website for all to see. Whilst questions/feedback is received from the panel no comments have been received from the wider public. This document is expected to be produced by the HMICFRS and they do receive and review it annually, I am then questioned on it during their annual inspection. Considering success measurement, the purpose of the document is to enable the PCC and Chief Constable to future plan. It gives them an idea, based on assumptions, what the funding is they will have available to them and what levels of savings or growth is likely in future years. This enables them to temper future plans, or look into opportunities. With steady budget planning occurring over recent years, no major surprises requiring knee jerk action I would consider that the document has been successful.