JOINT AUDIT COMMITTEE

9.30am – 28 July 2022
Face-to-Face & Online by Microsoft Teams

DRAFT AGENDA

Attendees:

JOINT AUDIT COMMITTEE:	
Rachel Barber - Chair John Cunliffe Allan Rainford	Julie Perkins Sarah Davies
FORCE OFFICERS:	
Seb Phillips – Director of Finance & Resources Guto Edwards - Head of Finance Helen Williams - Financial Control Accountant Anne Matthews – Finance & Budgets Officer	T/Chief Superintendent Sian Beck – Corporate Services James Sutton – Head of Business Intelligence/Chair of Assurance Board Ian Wyn Jones – Head of ICT Services
OFFICE OF THE POLICE AND CRIME COMMISSIONER:	
Stephen Hughes – Chief Executive Officer Kate Jackson – Chief Finance Officer	Angharad Jones – PA to the Chief Executive
OTHER ATTENDEES	
Helen Cargill, TIAA	Michelle Phoenix, Audit Wales

	Standing Items		Purpose	Page	Time
	Apologies	Chair			
1	**Minutes of the last meeting** The Chair shall propose that the minutes of the meeting held on 28 March2022.	Chair		3-13	5 Mins
2	**Actions Log**	Chair		14-19	15 Mins
	Standing Items				
3	**Chief Constable**	Chief Constable		Oral	10 Mins

4	**Organisational Update**	Chief Executive Officer & Director Finance and Resources	Information	20-25	10 Mins
5	**HMIC Update**	Chief Superintendent Corporate Services	Information	26-27	5 Mins
6	**Internal Audit** a. Internal Audit SICA 2021-22 b. Draft Internal Audit Annual Plan 2022-23 c. Internal Audit Overview – Management Report (incl. summary of Follow-up Review) & ICT Fixed Assets Audit discussion	a&b– TIAA Audit Manager c Director Finance & Resources / Budget Officer / Head of ICT Infrastructure	Assurance	28-39 40-53 54-77	10 Mins
7	**Risk Update** - Risk Process Development & Current Risk Register	Head of Business Intelligence	Assurance	78-85	10 Mins
8	**Work Programme for 2022/23**	Director Finance and Resources and Chief Finance Officer	Decision	86-90	5 Mins
	Substantive Items				
9	**Finance Update** a. **Statement of Accounts – Update** b. **Capital Programme – Outturn and forward look** c. **Treasury Management Performance**	Head of Finance	Information	Oral Oral 91-101	20 Mins
10	**Wales Audit Enquires**	Chief Finance Officer	Information	102-119	10 Mins
11	**JAC Annual Report & Evaluation**	Chair of Audit Committee	Decision	120-148	10 Mins
12	**Governance Update – incl. draft AGS;**	Chief Finance Officer	Information	149-152	5 Mins
13	**Force Risk Management and Assurance Mapping Framework**	Head of Business Intelligence	Assurance	153-185	10 Mins
14	**Legal Report**	Force Solicitor	Information	186-109	10 Mins
15	**Force Management Statement – key findings**		Assurance	210	15 Mins
	AOB (Advise the chair ahead of the meeting)				
	DATES OF FUTURE MEETINGS 6 October 2022 8 December 2022				
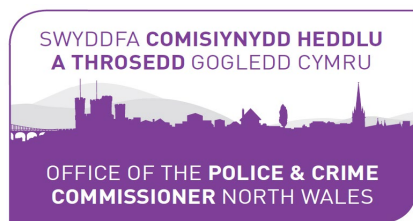
JOINT AUDIT COMMITTEE

1 April 2022

PRESENT

JOINT AUDIT COMMITTEE:
Rachel Barber - Chair John Cunliffe Allan Rainford Sarah Davies Julie Perkins

FORCE OFFICERS:
Seb Phillips – Director of Finance & Resources Guto Edwards - Head of Finance Helen Williams - Financial Control Accountant Anne Mathews - Finance and Budgets Officer James Sutton – Head of Business Intelligence

OFFICE OF THE POLICE AND CRIME COMMISSIONER:
Stephen Hughes – Chief Executive Officer Wayne Jones, Deputy Police and Crime Commissioner Kate Jackson – Chief Finance Officer Angharad Jones – PA to the Chief Executive

OTHER ATTENDEES
Helen Cargill, TIAA Mike Whiteley, Audit Wales

Chair welcomed everyone to the meeting and thanked their flexibility due to the late change of this meeting originally scheduled for 28th March. Chair confirm this is the final meeting of 21/22.

1. **APOLOGIES AND DECLARATIONS OF INTEREST**

   Apologies: Chief Superintendent Sian Beck, Corporate Services, Michelle Phoenix, Audit Wales.

   There were no declarations of interest.

2.   **MINUTES AND ACTION LOG**

The minutes of the meeting held on 8 December 2021 were agreed as a true record of the meeting.

Joint Audit member questioned the slippage of the Emergency Service Network and whether this had been placed on the Force Risk Register.

Director Finance and Resources confirmed that the ESN is on the Force Risk Register and that North Wales Police are part of a strategic group which is responsible for implementing ESN across all emergency services in Wales.

3.   **ACTION LOG**

Action Log was updated and will be circulated with the minutes. Actions recommended closed and agreed closed were: 2, 3, 5, 6, 7, 8, 9, 11, 13, 15, 16, 17, 18.

4.   **ORGANISATION UPDATE**

The Joint Audit Committee noted the report from the Office of the Police and Crime Commissioner and North Wales Police which provided an update on the work undertaken since the last Joint Audit Committee meeting in December.

Office of the Police and Crime Commissioner

It was reported that the victim needs assessment has been concluded since the update was written, and the executive summary presented to officers last week. Awaiting full report which will hopefully be received by the end of the week. Areas of good progress and good practice across the region have been identified and also recognise the significant progress made over the last few years. As expected, areas for improvement have also been highlighted but nothing that is of great concern.

The main area of challenge within the report is the consistency of communication with victims which has already been discussed at the Strategic Executive Board. When the report is received will share with the Chief Officer team and a plan will be put in place to deal with the recommendations highlighted.

Internal audit of strategic planning has taken place and received substantial assurance. This audit covered the process of producing the new Police and Crime Plan and subsequent Force Delivery Plan.

Chair asked when Communications and Engagement Strategy will be presented to the Joint Audit Committee.

Chief Executive Officer stated if the Committee are happy to receive the Strategy outside of the meeting it could hopefully be distributed to them within the next couple of weeks.

ACTION 1	Chief Executive Officer to circulate Communications and Engagement Strategy to members outside of the meeting.

North Wales Police

The Director of Finance and Resources updated the Committee on issues and events affecting the organisation since the last meeting.

The financial plans have been agreed by the Police and Crime Panel at the end of January and attention has turned to the forthcoming financial year end. The funding formula review is still ongoing in the background and meetings held with officers from the Home Office.

North Wales will receive a larger allocation than expected in relation to Operation Uplift with officer numbers raising to 1,696. Recruitment plans are in place, but challenges still exist around recruiting and filling the hard to fill roles, but progress is being made in this genuinely difficult area.

Chris Allsop has taken up the role of Assistant Chief Constable and Nigel Harrison has stepped back to his former Chief Superintendent role.

A period of sustained demand operationally has been seen with significant increases in several areas. A range of factors are being explored to better understand and manage this increase.

Trust and confidence in the police considering recent incidents within the Met Police has had a bearing on us locally in North Wales and this has been an area of focus within the force. All are doing what they can locally to ensure that north Wales is properly positioned to deal with any matters that arise locally.

The Ukraine crisis has an operational bearing on us here in North Wales but not to the same extent as seen in other areas but will impact on the local authority work with links into refugees. The supply chain especially with regards to construction, IT and vehicle procurement is also likely to be affected.

After the power outage on Monday, operational delivery continued as normal but middle/back room functions especially IT were affected. A range of factors contributed but power supply was the main issue and not all contingency measures worked fully as intended. A meeting has been arranged where we will meet as Gold Group to see what steps can be taken to understand the events and identify steps to mitigate them from happening again.

Joint Audit Member asked that following the investigations into the outage if officers could report back to Joint Audit Committee on how the vulnerability and risk will be mitigated against in future as this had clearly had a significant impact on the organisation and what testing is in place to ensure that these contingencies work.

ACTION 2	Director of Finance and Resources to update Joint Audit Committee on how vulnerability and risk of power outages will be mitigated against in the future.

Joint Audit Member questioned what was driving the increase in demand and that it would be helpful to get an insight as to what long term risks, they propose.

Director Finance and Resources to identify suitable officer involved in the review and ask that they attend future Joint Audit Committee to explain further.

ACTION 3	Director of Finance and Resources to identify officer who could fully briefing Joint Audit Committee on issues driving increase in demand and what long term risks this poses.

Joint Audit Member noted an interest in the sustainability update which is a key topic, and which is of interest to our communities and asked if this could be added to the future work programme as would be interested to know more about what the targets are and whether North Wales are looking at this issue from an operational point of view or from a procurement perspective.

ACTION 4	Chief Finance Officer to include a sustainability update on the future work programme.

Joint Audit Committee member interested in the agile working roll-out and would be interested to understand how this rollout has gone and what is the ongoing impact assessment ie. productivity, impact on employees.

Director of Finance and Resources noted that work has already been undertaken and happy to take away and provide further update on the advantages and disadvantages of agile working.

ACTION 5	Director of Finance and Resources to provide Joint Audit Committee with update on agile-working roll-out and how this work has progressed.

Joint Audit Member questioned the danger of employees having two jobs and how this will be assessed by the organisation as it will be harder to identify if employees working from home.

Director Finance and Governance reported that North Wales Police have strong governance within the code of ethics and all officers and staff must declare any business or second occupations they may have.

5. **HMICFRS UPDATE**

Joint Audit Committee noted the update provided within the paper.

Chair asked if the Force Scrutiny Board is reviewed as part of the Governance Review and where improvements are identified where are these recorded to enable Joint Audit Committee to have a complete picture

Director of Finance and Resources will take away and ask Superintendent Corporate Service to provide further clarification.

ACTION 6	Director of Finance and Resources to ask Superintendent Corporate Services to provide further clarification as to where the Force Scrutiny Board review is reported.

Chief Executive Officer noted that the Office of the Police and Crime Commissioner has a role in scrutinising custody and one of the Policy and Scrutiny Officers will be dip sampling custody records in future and any issues identified will be discussed with the Chief Inspector within custody.

6. **INTERNAL AUDIT**

   a. <u>INTERNAL AUDIT SICA 202-22 AND 2020/21 ANNUAL REPORT</u>

   Joint Audit Committee noted the update provided within the paper which provides an update on progress against the 2021-22 Annual Plan.

   Internal Audit confirmed that the plan has been largely completed but that there were four pieces of work that remained outstanding with the fieldwork completed and two draft reports to be issued imminently.

   The Payroll and Creditor Payments audits have been delayed due to unforeseen circumstances within the Internal Audit Team and further work is required. These have been re-scheduled to take place in Quarter 2 next year and procedures put in place to ensure that these circumstances will not arise again.

   Joint Audit Member questioned whether assurance can be gained that changes in procedures had been made. Internal Audit stated that they had changed the way they connected to SharePoint because if data was lost previously, it could not be retrieved and did not transfer automatically. Managers now also carry out weekly checks to ensure nothing is missing.

   Joint Audit Member asked for the scope of the ICT and Rolling Strategic Plan and whether resilience would be part of the audit.

   Internal Audit reported that they usually agree the scope with IT auditor and Head of IT and that resilience is always included. Director of Finance and Resources noted happy to take suggestions forward and will take into consideration when coming up with the Audit Planning Memorandum (APM).

Action 7	Director of Finance and Resources to consider suggestions and take into consideration when developing the APM.

   Chief Executive Officer enquires as to when the Corporate Communications Strategy audit was taking place and asked whether this would include collaborative working between the OPCC and North Wales Police as this would provide the Joint Audit Committee with some assurance as well as the updated Communications Strategy.

   Joint Audit Member questioned the number of Collaborative Reviews being undertaken as the volume seem to be increasing and asked whether it was appropriate that Risk is audited at an all-Wales basis rather than on a North Wales basis.

   Internal Audit stated it North Wales Police feel that they don't want to participate they can always drop out and undertake this review on a North Wales only basis. All reviews will be discussed with each police force prior to commencing.

   Director Finance and Resources stated that collaborative audits are a useful tool and offer good value for money as they provide crosschecks and give opportunity for best practice to be shared amongst Forces.

Chair noted that the ICT fixed asset audit has yet to be issued but noted that there were several recommendations arising and asked if there was anything that needed to be bought to Joint Audit Committees attention.

As this audit received It was reported that several internal meetings had taken place to work through the recommendations, management response and link into the agile working review. Given the audit finding is for limited assurance the review will be brought to July Joint Audit Committee meeting.

b. <u>DRAFT INTERNAL AUDIT ANNUAL PLAN 2022-23</u>

Joint Audit Committee noted the Internal Audit Plan and approved the draft report.

c. <u>INTERNAL AUDIT OVERVIEW – MANAGEMENT REPORT</u>

Joint Audit Committee noted the paper which provides an overview of internal controls activity within North Wales Police.

7. **RISK UPDATE**

Joint Audit Committee noted the update provided within the Risk Update paper as at 21 February 2022.

The long-standing Risk on Finance was closed but was immediately replaced by a new risk. The open Finance risk was so old it had become a little organic in how it developed and felt that it would be good to have a yearly refresh. This is a practical way to keep only relevant information on the current risk register, while archiving previous information in case there is a need to refer to it.

Joint Audit Member questioned how regularly the risks are reviewed as so many emerging key factors at present ie. interest rate rises, cost of living.

Head of Business Intelligence reassured the Committee that risks are subject to regular discussion at many different meetings and also reviewed annually. During the annual review the risk will be reviewed with senior officers.

Head of Finance noted that the Finance risk will always be present, and the Medium-Term Financial Plan will be the basis of the risk which will be reviewed annually.

Joint Audit Committee note that the Force manages risk in a slightly different way to what Members are used to and asked that a deep dive be scheduled around risk process.

Action 8	Chief Finance Officer to consider scheduling Deep Dive around the processes concerning risk into the Work Programme.

8. **WORK PROGRAMME FOR 2021/22**

Joint Audit Committee noted the updated work programme presented and commented on throughout the meeting.

Chief Finance Officer to circulate revised/updated work programme with Joint Audit Members.

ACTION 9	Chief Finance Officer to share updated/revised work programme with Joint Audit Members.

9. **CAPITAL STRATEGY (INC. TREASURY MANAGEMENT STRATEGY)**

Joint Audit Committee members noted the paper which gave a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of police services along with an overview of how associated risk is managed and implications for future financial sustainability.

Joint Audit Committee member asked whether a further exercise will be undertaken to reassess the phasing of individual capital projects and whether lessons had been learnt which will lead to more accurate phasing of projects

Head of Finance reported that budget holders had been asked to split their budget predictions into four quarters and that has helped focus minds and will hopefully lead to more accurate projections. Lessons have already been learnt and therefore the phasing of work and further engagement with budget holders will further assist this process.

Joint Audit Member noted that very large estate schemes had been added to the programme with some new police stations being constructed. It was asked if the Estates Department have the capacity and whether local authorities had been approached as planning department were experiencing delays which could pose a risk to the delivery of these schemes.

Officers noted that the schemes included within the programme were also included within the latest Estate Strategy but that costs have significantly increased and that there is always that risk that projects would not be complete. Officers involved are specialists in delivering large scale projects and are in regular contact with the local authorities.

Director Finance and Resources noted that the Brexit, Covid and more recently the war in Ukraine have affected the supply chains and this will have a bearing in terms of our ability to deliver against some of these projects, but all will be discussed during the annual planning cycle to ensure that resources match-up to the programme of work.

Joint Audit member reported that in the Treasury Management Strategy the benchmark liability and the minimum investment forecast were noted. It was stated that earlier figures showed usable reserve and questioned whether there was a danger of figures being double counted.

Officers reported that liability benchmark is a methodology that Arlingclose have developed to forecast the need to borrow and is something CIPFA will include within their next treasury management code. This shows levels where we will be borrowing internally. Internal borrowing is where we use useable reserves in place of external borrowing. If level of reserves higher at the end of the year than internal borrowing this surplus is what our investment is at year end. The graph indicates times where additional borrowing might be needed, but the Head of Finance informed the Committee that the cashflow is managed daily and surplus is invested to minimise the need to borrow unnecessarily.

Joint Audit Member questioned that given the severity of world issues currently is the economic forecast and outlook based within the report by Arlingclose still accurate or have recent events had a big impact of these projections and will therefore have a significant impact on the Treasury Management Strategy.

Joint Audit Member asked if there were gaps in the capital programme after Monday's outage in terms of business continuity within the capital programme.

Director Finance and Resources reassured members that there will be a formal review which will start at the end of next week which will look if formal action needs to be taken to ensure ICT resilience and resilience across the whole estate.

Chair asked if the purchasing/spend on vehicles in the current financial year will be achieved as substantial spend on fleet within the forecast. Given the difficulties in acquiring new vehicles whether orders had already been placed and what assurances can Joint Audit take that officers have plans in place ensure that they are spending what they can in an uncertain world as these are substantial delivery programmes.

Director of Finance and Resources acknowledged the challenges but noted that North Wales Police were in a favourable position compared to many other Police forces across the country as several orders had already been paced and are in train. All orders have not been committed and this is because of the limited vehicles which are available and issues around some forces looking to move from the framework and more formal police channels to procure vehicles. North Wales Police have not decided how to proceed yet therefore could mean that full spend is not achieved this year.

A number of reviews have also taken place with functional leads and individuals responsible for delivering the programme which has heightened awareness around internal reporting and variance to plans. Work has also been undertaken on strengthening reporting against capital expenditure. Process and procedures are in place and in our thoughts.

Chair asked that officers inform the Commissioner of the issues raised at today's meeting and the responses given to ensure that there is transparency around the process.

ACTION 10	Director of Finance and Resources & Chief Finance Officer to highlight questions raised by members with Commissioner and use minutes of meeting as basis for this discussion.

10. **GOVERNANCE UPDATE – INCLUDING DRAFT ANNUAL GOVERNANCE STATEMENT**

Joint Audit Committee noted the work undertaken by the Joint Governance Board and the input provided by the Assurance Board.

Chair asked if comments made at Joint Governance Board had been taken on board and statement updated. Director Finance and Resources confirmed that comments had been taken on board and reflected within the documents.

Chair noted that other forces present this document in different ways and asked that officers benchmark and see if any other approaches should be considered.

Joint Audit Member asked if officers had considered if the Annual Governance Statement adequately incorporates governance arrangements in respect of partnership working and whether a review of governance is needed to review schemes of delegation, financial regulations etc.

Director of Finance and Resources noted that partnership working is in officers' consideration when the Annual Governance Stement is produced but may need to take away and consider whether it needs strengthening within the document.

Action 11	Director of Finance and Resources to consider whether consideration to partnership working needs to be strengthened within the Annual Governance Statement and benchmark against document against other forces.

The annual review of the Manual of Governance and governance review structures is undertaken at the Joint Governance Board and the this provides assurance to Chief Constable and Police and Crime Commissioner before signing.

Joint Audit Member asked raised openness and asked whether stakeholder engagement is being developed. It was asked if a Deep Dive on the Communications Strategy could be scheduled for July instead of October to provide assurance to the Committee that there is transparency in the work of North Wales Police.

Action 12	Chief Finance Officer to consider a Deep Dive on the Communications Strategy at the July Joint Audit Committee meeting.

11. **AUDIT WALES – ANNUAL PLAN**

Joint Audit Committee noted the Annual Plan presented by Audit Wales and the work plan for 2022 to discharge their statutory responsibilities as the external auditors and fulfil their obligations under the Code of Audit Practice.

It was reported that Wales Audit fees for 2022-23 have increased fees by 3.75% because of the need to continually invest in audit quality and in response to increasing cost pressures.

Matthew Edwards has taken over as Engagement Director from Derwyn Owen. Michelle Phoenix remains at Audit Manager and Simon Monkhouse has taken over as Audit Lead for North Wales Police/Office of the Police and Crime Commissioner.

Audit Wales aim to complete the audit work before July 2022 but if this is not possible this will be completed before the October Joint Audit Committee meeting.

Joint Audit Member questioned whether the pension liability is a key audit risk in terms of the work undertaken on the financial statements and whether Audit Wales are happy and don't consider this as a significant risk.

Wales Audit reported that they have not had any significant problems and the pension liability is part of their normal work programme and that's why not identified separately as a risk.

Joint Audit Committee questioned the increase in fees and what the gaps were, what extra services are being provided and given discussion in relation to technology driven approach why there is an increase in people.

Wales Audit reported that there are no gaps, but standards are changing and a need to maintain standards ensuring that high quality audits are delivered. It was noted that data analytics is in its early days and Audit Wales are not able to use this technology yet with local authorities/police but hopeful to be able to run a pilot with a separate piece of software (Inflow) shortly.

Joint Audit Member questioned the timescales in finalising the accounts and given the risk of covid impacting on any work being relatively low, is it likely that the work will be finished by June. Audit Wales stated that it is be difficult to answer accurately but looking at timescales during the last few years, it would difficult complete the work by the end of June. In an ideal world would like to get finished by end of July but realistically not likely to happen but will try and get the work finished as soon as possible but it is likely to be October before the accounts can be formally approved.

Director Finance and Resources stated that internally officers will work to finish their accounts by 31 May 2022 and will submit to Audit Wales and hope that all can be finalised ahead of July 2022 meeting.

Joint Audit Chair asked if Audit Manager is likely to change as been in the role for a number of years. Audit Wales stated that this will change but will enquire about timescales and report back to the Committee.

| ACTION 13 | Audit Wales to ascertain how often Audit Managers roles are rotated and report back to Joint Audit Committee. |

12. JAC ANNUAL REPORT AND EVALUATION

Chair reported that the Joint Audit Committee evaluation report has been finalised and is with officers for comment. It was hoped that a meeting with officers would take place after the Joint Audit Committee meeting but because of the problems encountered on Monday a meeting will be arranged before the end of the month/early next month to discuss further.

The Joint Audit Committee annual report has been drafted and will be updated after today's meeting ready for sign-off at the July meeting.

13. RISK DEEP DIVE – ADEQUACY OF FINANCIAL RESOURCES

Director Finance and Resources shared presentation with Joint Audit Committee highlighting that there is a risk that financial resources are inadequate for meeting the Force's service delivery needs and explained the processes which are in place to mitigate against this risk.

Joint Audit Member questioned the efficiencies and savings set out and asked if implementation plans are in place to review these throughout the year and whether anything had been built into 2023-24 and beyond to identify savings in the future.

Director of Finance and Resources reported that the risk level has been reduced to medium based on the 3-year settlement and that planning and monitoring will mitigate against the risk. This is

recorded as one risk but with several variables which is set against the Force's vision and Police and Crime Plan.

Joint Audit Member stated that North Wales Polices levels of general reserves stands at approximately 3% and asked how this compares with similar forces.

Head of Finance reported that North Wales Police are in a very similar position to others and noted that having a strong balance sheet in the current climate feels like a good/safe position to be.

Joint Audit Member thanked Director of Finance and Head of Business Intelligence for going through this risk with him ahead of the meeting and explained that the re-wording is much better and helps present risk.

Chair thanked all for their work and Allan Rainford for leading the Joint Audit Committee discussion.

There was no other business raised.

The next Joint Audit Committee meeting will be held on 28 July 2022 at 9.30am either in Conference Room 1, FHQ Colwyn Bay or by Microsoft Teams.

JOINT AUDIT COMMITTEE
ACTION LOG from 1.04.2022

	Open
	Closed
	Deferred

New/Open actions from March 2021

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
	152	**JAC Annual Review/Annual Report (draft) -** Members and Officers to provide Chair Joint Audit Committee with any feedback ahead of July Joint Audit Committee meeting.	ASAP	Director of Finance and Resources	20/06/21 – DFR submitted feedback for both reports. 04/08/2021 – As no action plan around JAC evaluation - action to remain open. 06/10/2021 – DFR has produced a draft action plan which will be circulated to CFO and CX for comment. 18/11/21 – The draft action plan has been sent to CFO and CE and will be forwarded to the Joint Audit Committee Chair Rachel Barber. 08/12/2021 **Pending** until Joint Audit Committee review has taken place. 01/04/2022 – On agenda.
08/12/2021	1	**Minutes** – Chief Finance Officer to contact counterpart in South Wales OPCC to discuss involvement of JAC members in the Internal Audit Procurement process	10/01/2022	Chief Finance Officer	Chief Finance Officer has forwarded details of two North Wales JAC members to Chief Finance Officer in South Wales Police. JAC member met with all Wales colleagues. **Recommended action closed.**
08/12/2021	4	**Organisation Update** - Director of Finance and Resources to provide Joint Audit members with regular updates against the major milestones within the NEP programme roll-out.	Ongoing	Director of Finance and Resources	15/02/2022: PM and Programme Manager have provided a list of milestones and current status on progress. Further updates on progress can be provided on a quarterly basis as required. The milestones have been shared with all JAC members.

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
					Update included in Organisational report. 01.04.2022 – To be placed as a standing item on JAC agenda and monthly off-line meeting with JAC member to help reassure and feed into work programme. 22.06.2022 – Regular monthly meetings taking place to review progress on the digital programme between Head of Change & Collaboration, Head of Technology and JAC lead. Further updates to feature on the JAC agenda as required. **Recommend Action Closed**
08/12/2021	10	**Work Programme for 2021/22** - Joint Audit Committee to inform Chief Finance Officer of date preferences for the All Wales Joint Audit Committee event.	10/01/2022	Chief Finance Officer	13/12/2021 - E-mail sent to JAC members asking that they respond with any unsuitable dates. 01.04.2022 – Hope to get two dates in the diary, one for formal training and one informal get together. Will canvas for dates as soon as possible. 01.04.2022 – possible dates circulated 05.04.2022 – availability shared with South Wales PCC office who are arranging event. Event organised for 7 June. **Recommended action closed.**
08/12/2021	12	**Capital Programme -** Director of Finance and Resources to share Capital Programme Progress Update presentation with members.	23/12/2021	Director of Finance and Resources	09/12/2021 – Presentation placed on Google Drive for members information. 01.04.2022 Item to be added into work programme. **Recommended action closed**
01/04/2022	1	**Organisational Update** - Chief Executive Officer to circulate Communications and Engagement Strategy to members outside of the meeting.	Before next meeting	Chief Executive Officer	05/05/2022 – Communication and Engagement strategy saved onto Google drive and JAC members informed. 20/05/2022 - Added to future work programme
01/04/2022	2	**Organisational Update** - Director of Finance and Resources to update Joint Audit Committee on how vulnerability and risk of power outages will be mitigated against in the future.	July Meeting	Director Finance and Resources	On closed session agenda. **Recommended action closed**
01/04/2022	3	**Organisational Update -** Director of Finance and Resources to identify officer who could fully briefing Joint Audit Committee	Ahead of July meeting	Director Finance and Resources	20/05/2022 – Will discuss before the accounts informal meeting or within the FMS agenda item. ACC/officer to attend.

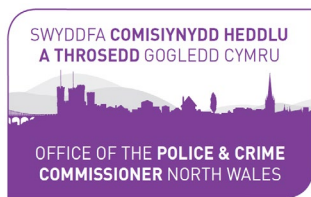| MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
		on issues driving increase in demand and what long term risks this poses.			29/6/22 – Head of LPS lined up to attend July closed session to provide briefing. **Recommend action closed.**
01/04/2022	4	**Organisational Update** - Chief Finance Officer to include a sustainability update on the future work programme.	Ahead of July Meeting	Chief Finance Officer	05/04/2022 – Discussed with Chair. **Recommend action closed**
01/04/2022	5	**Organisational Update** - Director of Finance and Resources to provide Joint Audit Committee with update on agile-working roll-out and how this work has progressed.	Ahead of July meeting	Director Finance and Resources	Added to work programme. **Recommend action closed**
01/04/2022	6	**HMICFRS Update** - Director of Finance and Resources to ask Superintendent Corporate Services to provide further clarification as to where the Force Scrutiny Board review is reported.	Ahead of July meeting	Director Finance and Resources	19/05/22 - HMIC recommendations are scrutinised at the Strategic Planning and Organisational Learning Board which Super Corporate Services Chairs and is attended by leads from areas in relevant business areas. This board is included in the Governance review which is currently being finalised by Sian Jones. There is a mixture of recommendations arising out of Inspections of other forces/thematic Inspections and recommendations arising out of NWP specific inspections. A highlight report goes to the force performance meeting chaired by DCC. **Recommend action closed.**
01/04/2022	7	**Internal Audit** - Director of Finance and Resources to consider suggestions and take into consideration when developing the APM.	Immediate	Director Finance and Resources	22.06.22 – TIAA emailed with a request for the provisional APM for onward sharing with the JAC Digital lead.
01/04/2022	8	**Risk Update** - Chief Finance Officer to consider scheduling Deep Dive around the processes concerning risk into the Work Programme.	Immediate	Chief Finance Officer	DFR and CFO have been discussing this action, and are liaising with Head of Business Intelligencce.
01/04/2022	9	**Work programme 2022/23** - Chief Finance Officer to share updated/revised work programme with Joint Audit Members.	Immediate	Chief Finance Officer	05/04/2022 – Prepared and shared with Chair. **Recommend action closed.**

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
01/04/2022	10	**Capital Strategy** - Director of Finance and Resources & Chief Finance Officer to highlight questions raised by members with Commissioner and use minutes of meeting as basis for this discussion.	Immediate	Director of Finance & Resources / Chief Finance Officer	05/04/2022 – Draft minutes shared with PCC to support decision. **Recommend action closed.**
01/04/2022	11	**Governance Update -** Director of Finance and Resources to consider whether consideration to partnership working needs to be strengthened within the Annual Governance Statement and benchmark against document against other forces.	Immediate	Director Finance & Resources	22.06.22 – AGS collaboration content reviewed. Final version of AGS to incorporate latest position regarding All Wales and West Coast Collaboration reviews.
01/04/2022	12	**Governance Update -** Chief Finance Officer to consider a Deep Dive on the Communications Strategy at the July Joint Audit Committee meeting.	Immediate	Chief Finance Officer	CFO and DFR discussing.
01/04/2022	13	**Wales Audit – audit plan -** Audit Wales to ascertain how often Audit Managers roles are rotated and report back to Joint Audit Committee.	Ahead of July meeting	Wales Audit	

Closed actions since last meeting – Archived April 2022 – previously closed available on request

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
08/12/2021	2	**Organisation Update** - Chief Executive Officer to include provide further update on the governance structure of the commissioning service at future Joint Audit Committee meeting.	28/07/2022	Chief Executive Officer	16.03.2022 - A paper has been prepared using the Safer Streets funding as an example to give assurance to the JAC members on the governance in place when external funding is secured. Circulated 16.03.2022. **Recommend action closed.** 01.04.2022 Chief Finance Officer to schedule Deep Dive of governance of commissioning services into the work programme
08/12/2021	3	**Organisation Update** - Director of Finance and Resources to provide further feedback on activities being undertaken to ensure difficult to fill roles are successfully recruited.	28/03/2022	Director of Finance and Resources	04/04/2022 - The Head of POD has set up a weekly working group focussed on tackling the 'hard to fill' posts. There are a range of posts being considered currently spanning ICT, Data, Procurement and others. The latest weekly update has been shared with JAC members via the google shared drive. 01.04.2022 – Members unable to read as briefing. Save onto Google Drive in different format. 04.04.2022 – This document has now been saved onto the Google Drive in Word format. **Recommend action closed.**

Abbreviation Key	
CC	Chief Constable
CEO	Chief Executive Officer (OPCC)
CFO	Chief Finance Officer (OPCC)
DFR	Director of Finance and Resources (NWP)
HMICFRS	Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services
JAC	Joint Audit Committee
NWP	North Wales Police
OPCC	Office of the Police and Crime Commissioner
PA	Personal Assistant to CEO and CFO
PCC	Police and Crime Commissioner

PSD	Professional Standards Department (NWP)
TIAA	Internal Audit
WAO	Wales Audit Office

Updates

The previous meeting of the Joint Audit Committee (JAC) was held on 28th March 2022. This report will provide an update to the JAC on OPCC matters of note since then.

Retirement of Chief Constable Carl Foulkes

Chief Constable Carl Foulkes has confirmed his intention after nearly 30 years to retire from policing having been in post in North Wales Police for 4 years. He will remain in post until October and will be working with the Police and Crime Commissioner to support him in the appointment of a new Chief Constable.

At the time of writing, the advert for a new Chief Constable has been published and the recruitment process has been agreed.

North Wales Women's Justice Strategy

Members will be aware from previous updates to the Board of the Commissioner's pledge to introduce a North Wales Female Offender Strategy (now referred to as the Women's Justice Strategy). The commitment in the strategy will recognise women's distinct needs and vulnerabilities within the Criminal Justice System (CJS). There will be an emphasis on early intervention, including liaison and diversion, out of court disposals and a focus on community based solutions.

The Deputy PCC Wayne Jones has led on this strategy which is now in the final stages of consultation with women that have lived experience of the Criminal Justice System. The strategy will be published in July.

Victim Services Needs Assessment

The review of the Victim Services Needs Assessment has now concluded and we have been presented with the final report. Five recommendations have been made which impact upon the OPCC, North Wales Police and our partners in the Criminal Justice System. We have already discussed the recommendations with the Chief Constable and his chief officer team and the report will be presented to CJS partners at the next meeting of the North Wales Justice Board. The report will then be published on the OPCC website.

Independent Review of Hunting in North Wales

Members will recall from previous updates the Commissioner's intention (with the support of the Chief Constable) to commission an independent review of the policing of the Hunting Act in North Wales. Following an extensive application process Wrexham Glyndwr

University have been commissioned to carry out this review which will be completed by the end of October. Stakeholders from both pro and anti-hunting will be interviewed in addition to a public online survey.

Home Affairs Select Committee

On 15th June the PCC, alongside 2 other PCC's, gave evidence on the UK Governments Drug Strategy to the Home Affairs Select Committee. All 3 PCC's spoke about the importance of partnership working and PCC Dunbobbin also called for reform of the 1971 Misuse of Drugs Act. The session can be viewed on the link below.

HTTPS://COMMITTEES.PARLIAMENT.UK/ORALEVIDENCE/10399/HTML/

Councillor Briefings

Following the local elections in May the OPCC recently held an online briefing for newly elected and returning County Councillors. The briefing covered the role of a PCC, main areas of responsibility and how they as Councillors could work in partnership with the police to tackle Anti Social Behaviour in their wards. The briefing was well received and will be repeated in due course.

Community Awards Ceremony

The Police and Crime Commissioner's Community Awards Ceremony returned on Thursday June 16th to celebrate the people in our communities across the region who make a difference in supporting the police and their fellow citizens. The evening marked a welcome return for the awards following a two-year break due to the pandemic.

The event saw over 100 guests come together from across the general public, police, emergency services, local and national politics, charities, and the wider third sector in North Wales.

The awards recognise the often-unsung local heroes who work in the background to support victims, support rehabilitation and reduce the likelihood and impact of crime across the region. The nomination process saw police officers, staff, and volunteers from North Wales Police put forward suggestions of people they have worked with in the community as winners.

A new aspect of the awards this year was sponsorship of the different categories by local businesses. Each company donated £300 to be given to a good cause specifically to further build on their hard work in the community. Each winner's name was engraved, along with the sponsor's, on the special glass trophy presented for each award category by the Commissioner.

Real Living Wage

The Office of the Police and Crime Commissioner (OPCC) for North Wales has been officially accredited as a Living Wage Employer.

Urdd Eisteddfod – North Wales

This year saw the centenary celebrations for the Urdd, with the Eisteddfod held outside Denbigh. Both North Wales Police and the Police and Crime Commissioner had a stand at the event. Both the Force and the OPCC had an array of activities on during the course of the week including face painting, meet and greet with the drone team and dog handlers and advice from our cybercrime team just to name a few. The feedback from members of the public was very positive and in excess of 4,000 visitors to the OPCC alone.

Report Author:	Stephen Hughes, Chief Executive

Joint Audit Committee

Meeting Date: 28th July 2022

Title:	Organisational Update – North Wales Police
Author:	Seb Phillips, Director of Finance & Resources
Purpose of the report:	To provide the Joint Audit Committee with an overview of key organisational events and issues taking place since the last JAC meeting.
The report is provided to JAC for: (tick one)	☐ Decision ☐ Discussion ☐ Assurance X Information
Summary / Key Points:	This report provides a high-level Organisational Update for North Wales Police highlighting key issues and events affecting the organisation for the period from 03.03.22 to 05.07.22. The issues and events are analysed between the four categories of Finance; People, Learning & Innovation; Operational and Public / Community. The report gives brief mention to HMICFRS inspection activity to streamline JAC reporting. However, given the scale of HMICFRS activity undertaken since the last meeting this will also be subject to its own dedicated agenda item update at the July JAC meeting.
Recommendations:	For members of the Joint Audit Committee to note the Director of Finance & Resources' report.
Risk Register Impact:	None.
Assurance Implications:	None.
Equality Impact:	None.
Information Exempt from Disclosure:	None - All content in **Open** Session

JOINT AUDIT COMMITTEE

28th July 2022

Organisational Update

Report by Director of Finance & Resources, North Wales Police

1. Introduction

This report provides a high-level Organisational Update for North Wales Police, highlighting key issues and events affecting the organisation for the period from 03.03.22 to 05.07.22.

The issues and events are analysed between the four categories of Finance; People, Learning & Innovation; Operational, and Public / Community.

2. Finance

- Following the 21/22 financial year end the draft Statement of Accounts has been submitted for audit. The audit is currently underway.
- The full year figures showed the underspends forecast for most of the FY increasing over the final quarter. As a result an additional £6.4m of budgeted expenditure (including circa £1.0m from collaboration and partnership activity) has increased the overall reserves of the force.
- Capital expenditure outturned at £4.2m. This was significantly below the original full year budget incl. prior year carry over for the force of £15.8m but was only slightly below the year end forecasts of £4.7m.
- An analysis of the drivers behind the year end figures are included in the narrative report at the front of the Statement of accounts. The draft accounts are currently available via the PCC website.
- The general inflationary pressure reflected in the wider economy is impacting the force in terms of its spends in the areas of fuel, energy and where expenditure is linked to an inflationary index. However, the profiling of uplift growth ahead of recruitment being achieved and the recent Police staff pay increase settlement are currently acting as partial counterweights to these pressures. The overall financial position will continue to be monitored and reported closely and the final position on both Officer and Staff pay (which has the potential for renegotiation depending on the Officer settlement) will be particularly impactful variables.
- The Home Office Police Funding Formula Review continues to progress with All Wales meetings arranged to ensure specific issues to Welsh policing are fed into the process appropriately.

3. People, Learning & Innovation

- Operation Uplift recruitment continues to progress. The force met its target in 2021-22 and so accessed the appropriate funding as a result. With regard to 2022-23, the increase in uplift officers (by 82) has been fully funded in the financial plan but in reality the current expectation is that the force only reaches its target by Q4 of the FY. Whilst this reflects the funding requirement for future years it is likely to result in an underspend against budget in the meantime.
- The working group set up to consider "Hard to Fill" roles continues to meet regularly and make good progress despite a challenging environment under the leadership of the Head of POD. Key areas of focus include the ICT retained team for the new Target Operating Model and FCIN.
- Despite the progress in terms of hard to fill recruitment, resourcing challenges persist with specific pockets of the organisation facing demand that currently outstrips capacity.
- As a result of the above, the force recently eased its guidance for unwinding Annual leave accrued during Covid giving greater flexibility to supervisors to balance the needs of staff wellbeing and the wider organisation.
- Key areas of progress in relation to business change in the period include:

- o NEP deployment continues to progress with the expectation the onboarding roll out is completed by Sep22.
- o Mobile Phone device deployment (which underpins the Mobile App workstream) being delayed due to resourcing challenges. Re-prioritisation of work loads has occurred to ensure that the work is appropriately resourced moving forwards.
- o The Command & Control Upgrade programme remaining a critical work stream with pressures around timeline and cost currently being assessed.
- o The ICT TOM continuing to progress its dual strands of enhancing the in house team and procuring the three key market bundles. The staff recruitment is slightly behind programme but overall the programme remains on track.

- Also of note is that ICT outage events occurred in both March and June. Further updates will be provided to the JAC in relation to these events.
- A Task & Finish Group has now been established with its terms of reference structured around the delivery of the force's sustainability strategy.

4. Operational
- CC Carl Foulkes has announced his intention to retire from the force with an official end date of Oct22. The process to recruit a replacement is currently underway being led by the OPCC.
- ACC Chris Allsop is progressing the front line focus work stream as he looks to understand and address some of the stressors being faced by our front line staff, inhibiting delivery of more effective service to the communities of North Wales.
- All significant Covid-19 restrictions within force were returned to their pre-pandemic state from the 01st July. The force will continue to monitor the situation and follow national guidance as necessary.
- The Force has been subject to its HMICFRS PEEL inspection during June. As a result, HMICFRS will be subject to a specific update at the July JAC meeting although the official findings are pending.
- The operational demand reviews previously commissioned continue to progress with several strands of work now being brought together under a single overarching governance structure.
- Linked to the above key performance updates from the Strategic Executive Board held in May22 included:
  - o Deep dives into priority areas including Roads Policing and Neighbourhood Community.
  - o Several areas agreed as areas of focus for directed performance improvement plans. These spanned both operational and enabling areas of the Force.
  - o Upcoming deep dives (July) include Rural Crime and Violence Against Women, Domestic Abuse and Serious Violence (VAWDASV).

5. Public / Community
- As alluded to in previous reports, trust and confidence in policing nationally has been impacted because of several incidents reported in the media over the past two years.
- However, NWP has itself seen a reduction of 9 percentage points in its public confidence measure. In the last survey, 84% of respondents expressed confidence in North Wales Police.
- Furthermore, victim satisfaction has also been identified as an area where generally satisfaction levels have seen a reduction.
- As a result of the above both public confidence and victim satisfaction have been identified as areas for directed work in relation to performance by the ACC and DCC. An extraordinary deep dive is scheduled for July on victim satisfaction and quality of service for victims, which follows the recently undertaken Victim Needs Assessment. Updates on the resulting activity will be reported and monitored at future performance boards.

6. Recommendations
For members of the Joint Audit Committee to note the Director of Finance & Resources' report.

Joint Audit Committee

July 2022

Title:	HMICFRS Update
Author:	C/Inspector David Cust
Purpose of the report:	Update in relation to HMICFRS reports
The report is provided to JAC for: (tick one)	☐ Decision ☐ Discussion ☐ Assurance X Information
Summary / Key Points:	**Police effectiveness, efficiency and legitimacy (PEEL)** HMICFRS have moved to a more intelligence-led, continual assessment approach, rather than the annual PEEL inspections they used in previous years. For the last 7 months HMIC staff have been reviewing force documents and our governance arrangements along with interviewing a number of strategic and tactical leads. HMICFRS have now completed their two-week reality testing which finalises our PEEL inspection. No details are known as yet and the force will receive our feedback on the 16th of August with HMI Wendy Williams and our force liaison lead, Sarah Lewis. Once received a full report will be presented to JAC. **Report on an unannounced inspection visit to police custody suites in North Wales Police** Staff from HMICFRS and HM Prisons inspected North Wales Police between 8th – 19th November 2021, with the report now having been published The action plan for improvement is being finalised by Supt Helen Corcoran and will be presented to HMICFRS custody lead at the end of July. HMICFRS have confirmed that they will re-inspect custody, focusing on the concern areas to ensure the new action plan has been fully implemented and become business as usual. **Changes to the reporting process to HMICFRS** HMICFRS are changing their processes in relation to recommendations 1. To make them more transparent and effective, they are introducing a new process, where HMIC inspectors decide what follow up activity the inspectorate will undertake at the point that they make the recommendation. 2. For some recommendations, HMIC will ask Chief Constables, to tell me when your force has completed the recommendation. This may

	be as well as, or instead of, the inspectorate carrying out follow up activity. We expect that they will continue inspectorate follow up activity for PEEL, and other continuous or rolling inspection programmes, but that Chief Constable sign-off will be sufficient for the force to complete most of the recommendations made as a result of one-off or thematic inspections. 3. Force Liaison Officers will be informed of the new process and detail on implementation of these changes. We have been informed this will also retrospectively apply to previous recommendations, allowing Chief Constables to sign off many of these. This will allow for sign off through SPOLB.
Recommendations:	
Risk register impact:	
Assurance implications:	
Equality Impact:	
Information exempt from disclosure:	

Police and Crime Commissioner North Wales and Chief Constable North Wales Police

Summary Internal Controls Assurance (SICA) Report
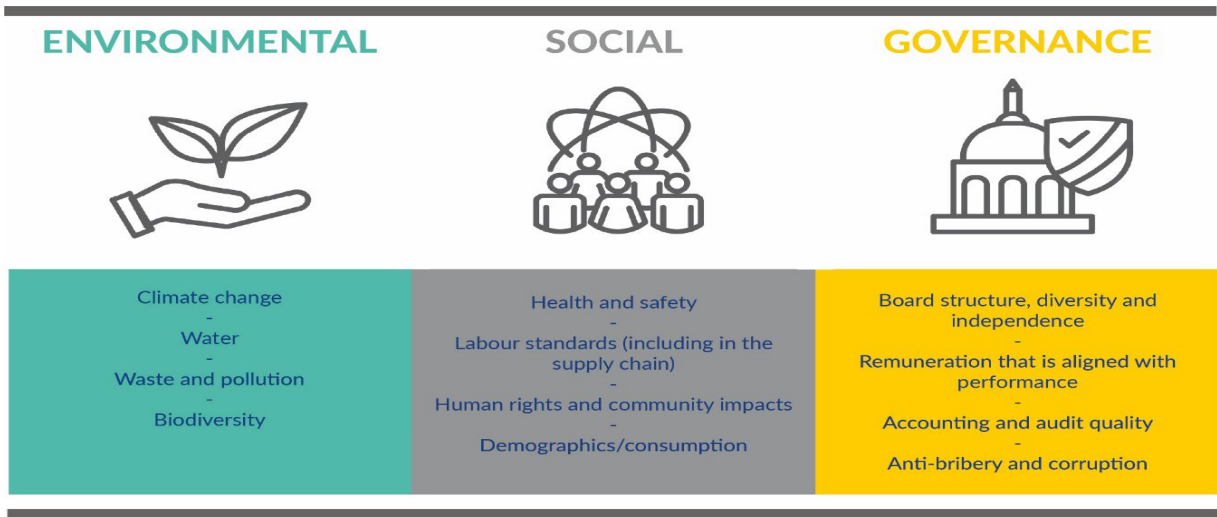
2022/23

July 2022

Summary Internal Controls Assurance

Introduction

1.   This summary controls assurance report provides the Joint Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Police and Crime Commissioner North Wales and Chief Constable North Wales Police as at 5th July 2022.

Emerging Governance, Risk and Internal Control Related Issues

2.   Sustainability is becoming an ever more important consideration for organisations with the efforts of all sectors to reduce their emissions on a much bigger scale being integral to ensuring that global warming stays within the 1.5°C limit highlighted by the IPCC report and adopted by COP26. The increasing importance of Environmental, Social and Governance (ESG) objectives, as well as the introduction of reporting frameworks, both voluntary and mandatory, highlights the need for organisations to demonstrate greater transparency for their stakeholders. The need for strategic direction and the existence of risks and opportunities within ESG means that the Board and Joint Audit Committee's role is integral in setting the ESG agenda.

ENVIRONMENTAL

Climate change
-
Water
-
Waste and pollution
-
Biodiversity

SOCIAL

Health and safety
-
Labour standards (including in the supply chain)
-
Human rights and community impacts
-
Demographics/consumption

GOVERNANCE

Board structure, diversity and independence
-
Remuneration that is aligned with performance
-
Accounting and audit quality
-
Anti-bribery and corruption

Audits completed since the last SICA report to the Joint Audit Committee

3.   The table below sets out details of audits finalised since the previous meeting of the Joint Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
2021/22 Audits								
ICT Fixed Assets	Limited	2nd December 2021	8th April 2022	8th April 2022	-	6	-	-
OCT Network Security	Reasonable	20th January 2022	8th April 2022	8th April 2022	-	1	-	-
Collaborative - Debtors	Substantial	23rd February 2022	14th March 2022	15th March 2022	-	-	1	-
2022/22 Audits								
Estates Management – Delivery (2022/23)	Substantial	14th June 2022	1st July 2022	1st July 2022	-	-	2	-

4.   The Executive Summaries and the Management Action Plans for each of the finalised reviews are included at Appendix A. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2021/22 and 2022/23 Annual Plans

5.   Our progress against the Annual Plan for 2021/22 is set out in Appendix B and progress against the Annual Plan 2022/23 is set out in Appendix C. The Fleet Strategy review has been deferred to 2022/23 at the request of management. An additional review has been requested by the Chief Finance Officer to review the Office of the Police and Crime Commissioner (OPCC) Complaints

Changes to the Annual Plan 2022/23

6.   There are no areas where internal audit work is recommended to enable an unqualified Head of Audit Opinion to be provided for 2021/22 or 2022/23.

Progress in actioning priority 1 recommendations

7.   We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA and no outstanding priority 1 recommendations have been carried forward from previous reviews.

Root Cause Indicators

8.   The Root Cause Indicators (RCI) have been developed by TIAA to provide a strategic rolling direction of travel governance, risk and control assessment for Police and Crime Commissioner North Wales and Chief Constable North Wales Police. Each recommendation made is analysed to establish the underlying cause of the issue giving rise to the recommendation (RCI). The analysis needs to be considered over a sustained period, rather than on an individual quarter basis. Percentages, rather than actual number of reviews/recommendations made permits more effective identification of the direction of travel. A downward arrow signifies a positive reduction in risk in relation to the specific RCI.

Root Cause Indicator	Qtr 4 (2021/22)	Qtr 1 (2022/23)	Qtr 2 (2022/23)	Qtr 3 (2022/23)	Qtr 4 (2022/23)	Medium term Direction of Travel	Audit Observation
Directed							
Governance Framework	25% (4)	-				↓	
Risk Mitigation	6% (1)	-				↓	
Control Compliance	63% (10)	70% (7)				↑	The percentage has increased but the number of recommendations has decreased
Delivery							
Performance Monitoring	-	-				↔	
Sustainability	-	-				↔	
Resilience	6% (1)	30% (3)				↑	The percentage and number of recommendations has increased

Frauds/Irregularities

9. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Other Matters

10. We have issued a number of briefing notes and fraud digests, shown in Appendix E, since the previous SICA report. The actions taken by Police and Crime Commissioner North Wales and Chief Constable North Wales Police are summarised below:

Action taken by Police and Crime Commissioner North Wales and Chief Constable North Wales Police in response to Alerts issued by TIAA

Briefing Note	Management Response
Increased Cyber Security Risks	
Deadline for Withdrawal of Old Style £20 and £50 Notes	To be provided by North Wales Police in the Internal Audit update
More than 75% of larger charities targeted by cyber criminals since last year	

Fraud Alert	Management Response
Cyber Attack Threat Heightened	To be provided by North Wales Police in the Internal Audit update
Payment Terminal Machines	
Council Tax Rebate Scam	
Scam texts regarding Omicron contact and booking a PCR test	

Responsibility/Disclaimer

11. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.
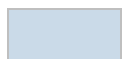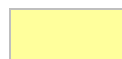

Progress against Annual Plan 2021-22

System	Planned Quarter	Current Status	Comments
Collaborative – Pan Wales			
Counter Fraud (Anti-Fraud Procurement)	1	**Fieldwork ongoing**	**Lead Force – NWP** **Audit delayed due to time taken to agree area for coverage.** **Audit completion delayed due to sickness but will be issued prior to the year end.**
Pensions – All Wales Pension Board*	2	**Final report issued 11th November 2021**	**Presented to March 2022 JAC**
Safety Camera Partnership	2	**Final report issued 23rd November 2021**	**Presented to March 2022 JAC**
Automatic Number Plate Recognition (ANPR)	2	**Final report issued 12th January 2022**	**Presented to March 2022 JAC**
Agile Working	2	**Final report issued 17th February 2022**	**Presented to March 2022 JAC**
Budgetary Control	3	**Final report issued 26th January 2022**	**Presented to March 2022 JAC**
General Ledger	3	**Final report issued 25th November 2021**	
Payroll	3	**N/A**	**Deferred To Q2 2022/23**
Creditors	3	**N/A**	**Deferred To Q2 2022/23**
Debtors	3	**Final report issued 15th March 2022**	
Treasury Management	3	**Final report issued 2nd February 2022**	**Presented to March 2022 JAC**
North Wales Only			
Health and Safety Management	1	**Final report issued 5th July 2021**	**Presented to August 2021 JAC**
ICT – Network Security	2	**Final report issued 8th April 2022**	
Western Area – Command Unit	1	**Final report issued 29th June 2021**	**Presented to August 2021 JAC**

System	Planned Quarter	Current Status	Comments
Pensions – Cyber Security	1	Final report issued 2nd September 2021	Presented to October 2021 JAC
Commissioner's Grants	2	Final report issued 11th November 2021	Presented to March 2022 JAC
Performance Management	2	Final report issued 2nd November 2021	Presented to December 2021 JAC
ICT – Data Protection	2	Site work completed	Draft report due shortly
Capital Programme	2	Final report issued 17th September 2021	Presented to December 2021 JAC
Fleet Management – Fleet Strategy	3	Deferred to 2022/23	Deferred at the request of Management
Risk Management – Mitigating Controls	3	Final report issued 6th December 2021	Presented to March 2022 JAC
Contract Management	3	Site work completed	Draft report due shortly
Fixed Assets	3	Final report issued 8th April 2021	
HR Management – HR Strategy	3	Final report issued 11th January 2022	Presented to March 2022 JAC
Occupational Health Unit	4	Final report issued 4th February 2022	Presented to March 2022 JAC
Strategic Planning	4	Final report issued 1st February 2022	Presented to March 2022 JAC
OPCC Complaints	4	Site work completed	Draft report due shortly
Follow-up	4	Final report issued 2nd March 2022	Presented to March 2022 JAC
Liaison with Audit Wales	1-4	N/A	
Annual Planning	4	Final Report issued 12th May 2021	Presented to August 2021 JAC
Annual Report	4	Draft report issued	
Audit Management	1-4		

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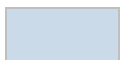
	To be commenced		Site work commenced		Draft report issued		Final report issued

Progress against Annual Plan 2022-23

System	Planned Quarter	Current Status	Comments
Collaborative – Pan Wales			
HR – Use of OLEEO	~~1~~ 4	Planned start date 23rd January 2023	Lead Force - NWP Moved to Q4 at the request of North Wales
Risk Management – Mitigating Risk	1	Planned start 11th July 2022	Lead Force - NWP
Expenses and Additional Payments	2	Planned start 27th July 2022	Lead Force – Gwent
Payroll	2	Planned start 19th September 2022	Lead Force – Dyfed-:Powys
Creditors	2	Planned start 13th September 2022	Lead Force – Dyfed-Powys
Fixed Assets – ICT Assets	2	To be agreed	Lead Force – Dyfed-Powys
Capital Programme	3	Planned start 13th October 2022	Lead Force - NWP
Counter-Fraud (Anti-Fraud Procurement)	3	Planned start 12th October 2022	Lead Force – South Wales
Fleet Management – Strategy	3	Planned start 17th October 2022	Lead Force – South Wales
North Wales Only			
Contract Management – (Building/ICT/Services Project 2022/23)	1	Site work completed	Draft report due shortly
Property Subject to Charge (Evidential Property)	1	Planned start 26th September 2022	Moved to Q2 at the request if Management
Wellbeing and Strategy	1	Draft Report Issued 5th July 2022	
Estates Management - Delivery	1	Final Report Issued 1st July 2022	
Central Area – Command Unit	1	Site work commenced	
Corporate Communications	1	Planned start 22nd August 2022	
Community Engagement	2		
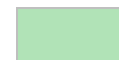
System	Planned Quarter	Current Status	Comments
Pensions	2		
ICT Change Management	2		
Vetting	2		
Cyber Security	3		
Health and Safety Management	3		
Treasury Management	3		
Firearms Licensing	3		
HR Absence Management	3		
Fleet Management – Repairs	3		
Liaison with Audit Wales Management	1-4		
Follow-up	4		
Annual Planning	1	Final report issued 30th June 2022	
Annual Report	4		
Audit Management	1-4		

KEY:

	To be commenced		Site work commenced		Draft report issued		Final report issued

Priority 1 Recommendations - Progress update

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
There are no Priority 1 Recommendations						

KEY:

Priority Gradings 1

1	URGENT	Fundamental control issue on which action should be taken immediately.

Risk Mitigation

	CLEARED	Internal audit work confirms action taken addresses the risk exposure.

	ON TARGET	Control issue on which action should be taken at the earliest opportunity.

	EXPOSED	Target date not met & risk exposure still extant

Briefings on developments in Governance, Risk and Control

TIAA produces regular briefing notes to summarise new developments in Governance, Risk, Control and Counter Fraud which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs and Fraud Alerts issued in the last three months which may be of relevance to Police and Crime Commissioner North Wales and Chief Constable North Wales Police is given below. Copies of any CBNs are available on request from your local TIAA team.

Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN-22010	Increased Cyber Security Risks		**Action Required - Urgent** Organisations are advised to review their key operational Cybersecurity arrangements and take appropriate remedial action
CBN -22014	Deadline for Withdrawal of Old Style £20 and £50 Notes		**For Information Only** This is for information purposes. All staff within affected service lines such as cashiers, retail assistants and other should be made aware of the process for handling withdrawn notes. All relevant notes held should be banked before 30th September 2022.
CBN -22015	More than 75% of larger charities targeted by cyber criminals since last year		**Action Required** Audit Committees and Boards are recommended to seek assurance that IT security remains on the agenda, and to seek assurances checked that systems are patched, monitored, and backed up. IT Disaster Recovery plans should be regularly reviewed to keep up to date, and subject to table-top exercise testing, ideally using a malware incident scenario such as the NCSC's "Exercise in a box".

Summary of recent Fraud Alerts

Ref	Subject	Status	TIAA Comments
March 2022	Cyber Attack Threat Heightened		**Action Required** This alert provides information and advice to organisations regarding the current heightened threat of a cyber attack. The alert should be shared with senior management and IT Security Specialists who should read the guidance produced by the NCSC and take action as required.
April 2022	Payment Terminal Machines		**Action Required** If you think that your organisation has been a victim of fraud, please notify your bank immediately to attempt to recover lost funds, and seek advice from TIAA Anti-Crime Specialists.
April 2022	Council Tax Rebate Scam		**Action Required** This alert provides information and advice to employees about fraud and economic crime, and the risks associated with it. If you think that you have been a victim of a scam, notify your bank immediately to attempt to recover lost funds. Report the scam to Action Fraud on 0300 123 2040 or at: www.actionfraud.police.uk
June 2022	Scam texts regarding Omicron contact and booking a PCR test		**Action Required** This alert provides information and advice to employees about fraud and economic crime, and the risks associated with it. If you have fallen victim to fraud or cybercrime you should report it to Action Fraud by calling 0300 123 2040 or visit: https:// actionfraud.police.uk/reporting-fraud-and cyber-crime

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The Police and Crime Commissioner North Wales and the Chief Constable North Wales Police

Indicative Audit Strategy 2022/25 and Annual Plan 2022/23

2022/23

June 2022

FINAL

OVERVIEW

Introduction

The Audit Plan for 2022/23 has been informed by a risk assessment carried out across our police clients and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks, and that the coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

Key Emerging Themes

This year will continue to be another challenging year for police forces in terms of funding, managing additional recruitment and technological advancement. There are a number of operational issues that have also come to prominence; we have identified a number of key areas which require consideration when planning internal audit coverage.

Vetting: Recent events have highlighted some significant gaps in the vetting of police officers and has led to calls for the urgent re-vetting of all serving police officers. HMICFRS is reviewing whether police forces have implemented previous recommendations on vetting as part of its current round of routine inspections, as well as undertaking a thematic inspection of vetting and counter-corruption procedures.

Firearms Licensing: New statutory guidance aims to standardise the licensing procedures in police forces. The guidance requires background checks on every applicant and a home visit to be carried out for first-time applicants. Any applicant will have to arrange for information about their medical suitability to carry a gun to be provided by their GP.

Recruitment: The continued implementation of Operation Uplift, the Government's three-year national campaign to recruit 20,000 police officers, will require significant Human Resources, Training and Development and Workforce Planning input.

Social Media: Social media can be a very effective tool for communicating with the public and helping in fighting crime, however, its use needs to be carefully considered and managed to ensure compliance with professional standards and the Code of Ethics on both a professional and private basis.

Providing Assurance during the COVID-19 pandemic

From the outset, we successfully transitioned to new and remote ways of working without any diminution of the service and we recognise that many if not all of our clients have had to implement changes in the way that they work. We continue to consider any gaps in control or exposures that have arisen as a result of this. Whilst many measures have largely been relaxed, it is not inconceivable that further measures might be implemented to stem any increases in cases. We continue to adopt a hybrid approach with a mix of remote and on-site working and tailor this approach to client requirements and the nature of each assignment.

Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2022/23 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the Police and Crime Commissioner and the Chief Constable's framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

INTERNAL AUDIT PLAN

Audit Strategy Methodology

We adopt a proprietary risk-based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, the regulatory framework, external audit recommendations and previous internal audit work for the organisation, together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. For 2022/23, we have conducted an analysis of the key risks facing the sector and client base more broadly to inform our annual planning. The Audit Strategy is based predominantly on our understanding of the inherent risks facing the Police and Crime Commissioner (PCC) and the Chief Constable and those within the sector and has been developed with senior management and Committee. Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS).

Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing The PFCC (Police) and the Chief Constable. We take in to account any emerging or heightened risks that are facing the sector and/or the PCC and the Chief Constable and the Force specifically, to ensure that the work of internal audit remains appropriately focused. Links to specific strategic risks are also contained in the Internal Audit Strategy.

Internal Audit Strategy and Plan

Following the risk prioritisation review, the Audit Strategy has been produced (Appendix A) and the Annual Collaborative Plan (Appendix B) and Annual Plan (Appendix C) sets out the reviews that will be carried out, the planned times and the high-level scopes for each of these reviews.

The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation and will be formally reviewed with senior management and the Joint Audit Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of each assignment within the Annual Plan includes: research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and the PCC and the Chief Constable. This number of days is fixed and it is TIAA's responsibility to deliver the Audit Plan for this number of days. Where the PCC and the Chief Constable agree additional work the required number of days and the aggregate day rate will be agreed in advance with the Chief Finance Officer/s and will be clearly set out in the terms of reference for the additional review(s).

Release of Report

The table below sets out the history of this plan.

Date plan issued:	3rd March 2022
Date final plan issued:	30th June 2022

APPENDIX A: ROLLING STRATEGIC PLAN

Review Area	Type	2022/23	2023/24	2024/25
Governance				
Corporate Communications	Assurance	10		
Community Engagement	Assurance	10		
Health and Safety Management	Assurance	8		8
Collaborations	Assurance		10	
Strategic Resource Planning	Assurance		10	
Performance Management	Assurance			10
Business Continuity Planning	Assurance			8
Risk				
Risk Management Mitigating Controls (Collaborative in 2022/23)	Compliance	*1	6	6
ICT				
Cyber Security	Assurance	8		8
ICT Change Management	Assurance	8	8	
ICT Fixed Assets (Collaborative in (2022/23)	Assurance	*		6
Infrastructure Review	Assurance		8	
Data Assurance	Assurance		8	
Network Security				8
Finance				
Budgetary Control	Assurance		6	
General Ledger	Assurance		6	
Payroll (Collaborative in 2022/23)	Assurance	*	10	10

[1] * denotes included as a collaborative review in 2022/23

Review Area	Type	2022/23	2023/24	2024/25
Creditors (Collaborative in 2022/23)	Assurance	*		6
Debtors	Assurance			6
Pensions	Assurance	8		
Expenses and Additional Payments (Collaborative in 2022/23)	Assurance	*		8
Treasury Management	Assurance	4	4	4
Capital Programme (Collaborative in 2022/23)	Assurance	*		8
Counter-Fraud (Collaborative in 2022/23)	Compliance	*	6	6
Estates and Fleet				
Fleet Management – Repairs (inc BMW Issues)	Compliance	5		5
Fleet Management – Fuel	Compliance		6	
Fleet Strategy (Collaborative in 2022/23)	Assurance	*		
Estates Management – Delivery	Compliance	6		
Estates Management – Strategy	Assurance		6	
Operational Performance and Infrastructure				
Central Area – Command Unit	Compliance	8		
Eastern Area – Command Unit	Compliance		8	
Western Area – Command Unit	Compliance			8
Contract Management – (Building/ICT/Services Project 2022/23)	Compliance	6	6	6
Property Subject to Charge (Evidential Property)	Compliance	6		6
Vetting (uplift officers, new recruits and transferees)	Compliance	6		
Firearms Licensing	Compliance	6		
Procurement	Assurance		8	
Commissioners Grants	Assurance			6
Workforce				
Wellbeing and Strategy	Assurance	10		

Review Area	Type	2022/23	2023/24	2024/25
HR Recruitment	Assurance	*		
HR Absence Management linked to Agility	Assurance	6		
Organisational Development	Assurance		7	
Occupational Health Unit	Assurance			5
HR Management Strategy	Assurance			10
Follow Up				
Follow Up	Follow Up	6	6	6
Collaborative Reviews (Leads in brackets)				
Risk Management (Lead Force: North Wales)	Compliance	5		
Fixed Assets (Lead Force: Dyfed Powys – Focus on ICT)	Compliance	5		
Payroll (Lead Force: Dyfed Powys – to include overpayments)	Assurance	8		
Creditors (Lead Force: Dyfed Powys)	Assurance	6		
Counter Fraud Procurement (Lead Force: South Wales)	Assurance	7		
Capital Programme (Lead Force: North Wales)	Assurance	6		
Fleet Management - Fleet Strategy lead Force: (South Wales)	Assurance	4		
Expenses/additional payment (Lead Force: Gwent)	Assurance	6		
HR - use of OLEEO (Lead Force: North Wales)	Assurance	5		
Management and Planning				
Liaison with Audit Wales	Management	2	2	2
Contingency	N/A		18	
Annual Planning	Management	4	4	4
Annual Report	Management	4	4	4
Audit Management	Management	18	18	18
Total Days		**201**	**175**	**182**

APPENDIX B: COLLABORATIVE ANNUAL PLAN – 2022/23

Quarter	Review	Type	Days	High-level Scope
1	HR – Use of OLEEO	Assurance	5	The review will consider the work being led by North Wales Police on the benefits realised from the use of the OLEEO HR Recruitment System particularly in regard to recruiting to key or specialist posts. (Lead Force: North Wales)
2	Risk Management – Mitigating Risk	Compliance	5	Two risks which are included in the organisation's Risk Register will be selected and the effectiveness of the identified controls will be reviewed. The review also considers the effectiveness of mitigating actions on outcomes. The scope of the review does not include consideration of all potential mitigating arrangements. (Lead Force: North Wales)
2	Expenses and Additional Payments	Assurance	6	The review checks compliance with the expenses and additional payments policy and procedure. The scope also looks at the effectiveness of the automated process, especially in light of the changes to mileage expenses in South Wales and Gwent. The scope of the review will not include any other aspect of the Payroll arrangements. (Lead force: Gwent)
2	Payroll	Assurance	8	The review considers the arrangements for: the creation, amendment and deletion of payroll records accurately and on a timely basis; payment of allowances and pay awards; collection of overpayments; and payment of salaries. The review will also consider the arrangements for reviewing the payroll prior to authorisation including the review of exception reports and pay variations. The scope of the review does not include determination of salary scales, the HR arrangements for appointment and removal of staff, severance payments or reimbursement of travel and subsistence expenses, or pension arrangements. (Lead Force: Dyfed-Powys)
2	Creditors	Assurance	6	The review considers the arrangements for reviewing and authorising and paying costs incurred by the organisation and the arrangement for control of the organisation's cheques and automated payments. The review will consider the management of amendments to supplier standing data, including the verification of requests for change of bank details. The allocation and use of procurement cards will also be considered including the month end reconciliation to statements. The scope does not include providing an assurance that the expenditure was necessary or that value for money was achieved from the expenditure committed. (Lead Force: Dyfed-Powys)

Quarter	Review	Type	Days	High-level Scope
2	Fixed Assets – ICT Assets	Compliance	5	The review considers the identification of assets that need to be recorded in the asset register, the identification, locating and recording of assets including labelling and the appropriate useful life in line with stated policy; inventories; and the disposal of assets including identification of any surplus on disposal where sold and ensuring securely destroyed where necessary. A sample of assets will be verified as part of the review. The review will focus on ICT assets. The scope of the review does not include consideration of the purchasing, depreciation policies or insurance arrangements. (Lead Force: Dyfed-Powys)
3	Capital Programme	Assurance	6	The review considers the arrangements for accounting for the capital programme including the approval of the capital budget and priorities, the management of capital expenditure and variations, the adequacy of reporting and arrangements for dealing with slippage in projects or notification of additional funding. The scope of the review does not include consideration of the funding arrangements or the specification of the projects. (Lead force: North Wales)
3	Counter-Fraud (Anti-Fraud Procurement)	Assurance	7	The review considers the robustness of the organisation's internal Anti-Fraud policy and associated policies in providing mitigation against fraud and/or the impact of fraud. In addition, the review will test for potential significant fraud exposures due to non-compliance with the Force's procurement arrangements and/or inadequate or ineffective segregation of duties. The scope of the review will not include identification of all potential fraudulent transactions. (Lead Force: South Wales)
3	Fleet Management – Strategy	Assurance	4	The review considers the effectiveness of the arrangement for the management and replacement of the fleet of vehicles used by the Force and the Police and Crime Commissioner's Office. (Lead Force: South Wales)
	Total		**52**	

APPENDIX C: ANNUAL PLAN – NORTH WALES POLICE 2022/23

Quarter	Review	Type	Days	High-level Scope
1 (April 2022)	Contract Management – (Building/ICT/Services Project 2022/23)	Assurance	6	**Rationale** Key operational risk area. **Scope** The review will consider the effectiveness of the contact management arrangements in relation to the Unit 34 – Housing Maintenance Solutions Ltd Contract.
1	Property Subject to Charge (Evidential Property)	Compliance	6	**Rationale** Issues with compliance with Policy and Procedures in place and Limited Assurance assessment in previous recent review. **Scope** The review will appraise the effectiveness of the controls over the arrangements for Property Subject to Charge.
1	Wellbeing and Strategy	Assurance	10	**Rationale** Impact of Covid and remote working on staff **Scope** The review will consider the Wellbeing Strategy and the arrangements for ensuring staff wellbeing and determine how the effectiveness of these arrangements is evaluated.
1	Estates Management - Delivery	Compliance	6	**Rationale** Key risk area. **Scope** The review appraises the development of the estates strategy and the adequacy of the arrangements for delivering this including stock and asset condition survey, identification of need for work and replacement, scheduling the work, monitoring, and authorising payments for planned and cyclical works.
1	Central Area – Command Unit	Compliance	8	**Rationale** Key risk area, included in the plan on a cyclical basis. **Scope** The review assesses compliance with the key corporate procedures for Financial, HR, Duty of Care and Service Delivery.

Quarter	Review	Type	Days	High-level Scope
1	Corporate Communications	Assurance	10	**Rationale** Key operational risk area. **Scope** The review will consider the effectiveness of the Internal and External Communications strategies for the Force and the Police and Crime Commissioner.
2	Community Engagement	Assurance	10	**Rationale** Key area of Governance, part of a rolling programme of Governance reviews. **Scope** The review will consider the effectiveness of the Community Engagement strategies for the Force and the Police and Crime Commissioner.
2	Pensions	Assurance	8	**Rationale** Key financial risk area. **Scope** The review considers the arrangements for the management and control of the administration of pensions.
2	ICT Change Management	Assurance	8	**Rationale** Rolling programme of technical ICT reviews covering key risk areas. **Scope** The review considers the documented arrangements to ensure that changes to IT systems and services are defined, risk assessed, authorised, tested, implemented and fully documented to ensure service delivery and security are not compromised. The review also identifies the requirements for a roll back plan where changes cause significant operational issues. The review will not consider the nature of any changes.
2	Vetting	Compliance	6	**Rationale** High risk area if effective arrangements not in place. **Scope** The review will assess compliance with the internal vetting policy. The scope of the review will not include providing assurance that all relevant staff and contractors are vetted.

Quarter	Review	Type	Days	High-level Scope
3	Cyber Security	Assurance	8	**Rationale** Cybercrime is on the increase and a gap analysis against CESG ten steps to cyber security guidance provides a useful assessment of a public sector organisation's maturity and potential areas of vulnerability to attack. The audit review and gap analysis focuses on Internet-originated attacks against an organisation's information security. **Scope** The review considers the security management arrangements for the pro-active identification, prioritising and mitigating against cyber-crime risks. The scope of the review includes policies, procedures and risk management activities in place for the key elements of the CESG framework, including: • Information Risk Management Regime • Secure configuration • Network security • Managing user privileges • User education and awareness • Incident management • Malware prevention • Monitoring • Removable media controls • Home and mobile working
3	Health and Safety Management	Assurance	8	**Rationale** High risk area. Limited Assurance in 2021/22. **Scope** The review considers: the adequacy of the arrangements for managing the health and safety requirements of the Force. The review considers the arrangements for compliance with key requirements of health and safety legislation but does not represent an exhaustive review of compliance with all health and safety legislation and cannot be relied upon as such
3	Treasury Management	Assurance	4	**Rationale** Key Audit risk area requested by the Joint Audit Committee. **Scope** The review considers 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 scope of the review does not include consideration of the appropriateness of any individual financial institution or broker or of individual investment decisions made by the organisation.

Quarter	Review	Type	Days	High-level Scope
3	Firearms Licensing	Compliance	6	**Rationale** High risk area if effective arrangements not in place. **Scope** The review will assess compliance with the regulatory requirements and Force Policy for Firearms Licencing.
3	HR Absence Management	Assurance	6	**Rationale** Review of HR Management arrangements included in each year of the plan. **Scope** The review considers the arrangements for: recording, reporting and monitoring absence. The scope of the review will also consider the arrangements to promote wellbeing, agile working and reduce absence.
3	Fleet Management – Repairs	Assurance	5	**Rationale** Key risk area especially with current BMW issues. **Scope** The review will consider the effectiveness of the delivery of the fleet management repairs and maintenance arrangements, including the planning of services and MOT's, responsive repairs and general maintenance. The review will include focus on the BMW issues.
1-4	Collaborative Audits	Appendix B	52	Details provided in Appendix B
1-4	Liaison with Audit Wales Management	Management	2	Ongoing liaison with Audit Wales.
4	Follow-up	Follow up	6	The review ascertains whether management action has been taken to address the priority 1 and 2 recommendations only arising from selected internal audit work carried out in the previous financial year and current year to date, ensuring the Organisation is implementing recommendations, and providing reports to the Joint Audit Committee.
1	Annual Planning	Management	4	Assessing the Police and Crime Commissioner and the Chief Constable's annual audit needs.
4	Annual Report	Management	4	Reporting on the overall conclusions and opinion based on the year's audits and other information and providing input to the Annual Governance Statement.
1 – 4	Audit Management	Management	18	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Joint Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
		Total days (including collaborative days)	**201**	

APPENDIX D: INTERNAL AUDIT CHARTER

The Need for a Charter

The Audit Charter formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within The Police and Crime Commissioner North Wales and the Chief Constable North Wales Police and defines the scope of internal audit activities. The establishment of the Audit Charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Joint Audit Committee.

The Role of Internal Audit

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the framework of governance, risk management and control. TIAA is responsible for providing assurance to The Police and Crime Commissioner North Wales and the Chief Constable North Wales Police's governing body (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the risk management, control and governance processes.

Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS and the IIA standards which are articulated in the International Professional Practices Framework (IPPF).

Scope

All The Police and Crime Commissioner North Wales and the Chief Constable North Wales Police activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that The Police and Crime Commissioner North Wales and the Chief Constable North Wales Police management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions; however, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by the board, Joint Audit Committee or the nominated officer (being the post responsible for the day-to-day liaison with TIAA), provided such reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises of The Police and Crime Commissioner North Wales and the Chief Constable North Wales Police and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data for this purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance policies.

Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems; however, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day-to-day administrative purposes only, TIAA reports to a nominated officer within The Police and Crime Commissioner North Wales and the Chief Constable North Wales Police and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the board, the chair of the Joint Audit Committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with The Police and Crime Commissioner North Wales and the Chief Constable North Wales Police management.

Conflict of Interest

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

We are not aware of any conflicts of interest and should any arise we will manage them in line with TIAA's audit charter and internal policies, the PSIAS/IIA standards and The Police and Crime Commissioner North Wales and the Chief Constable North Wales Police's requirements.

Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

Limitations and Responsibility

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of The Police and Crime Commissioner North Wales and the Chief Constable North Wales Police and additional time will be required to carry out such testing. The Police and Crime Commissioner North Wales and the Chief Constable North Wales Police is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

Liaison with the External Auditor

We will liaise with The Police and Crime Commissioner North Wales and the Chief Constable North Wales Police's External Auditor. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

Reporting

Assignment Reports: A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of TIAA's audit charter and PSIAS/IIA standards.

Progress Reports: Progress reports will be prepared for each Joint Audit Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

Follow-Up Reports: We will provide an independent assessment as to the extent that priority 1 and 2 recommendations have been implemented. Priority 3 recommendations are low-level/housekeeping in nature and it is expected that management will monitor and report on implementation as considered appropriate.

Annual Report: An Annual Report will be prepared for each year in accordance with the requirements set out in TIAA's audit charter and PSIAS/IIA standards. The Annual Report will include a summary opinion of the effectiveness of The Police and Crime Commissioner North Wales and the Chief Constable North Wales Police's governance, risk management and operational control processes based on the work completed during the year.

Other Briefings: During the year Client Briefing Notes, Benchmarking and lessons learned digests will be provided. These are designed to keep the organisation abreast of in-year developments which may impact on the governance, risk and control assurance framework.

Assurance Assessment Gradings

We use four levels of assurance assessments as set out below.

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2013.

Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has IS0 9001:2015 accreditation.

Joint Audit Committee Responsibility

It is the responsibility of the Police and Crime Commissioner North Wales and the Chief Constable North Wales Police to determine that the number of audit days to be provided and the planned audit coverage are sufficient to meet the Committee's requirements and the areas selected for review are appropriate to provide assurance against the key risks within the organisation.

By approving this document, the Joint Audit Committee is also approving the Internal Audit Charter.

Disclaimer

The matters raised in this planning report, along with those raised in our audit and annual reports, are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Performance Standards

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Performance Measure	Target
Completion of planned audits.	100%
Audits completed in time allocation.	100%
Draft report issued within 10 working days of exit meeting.	100%
Final report issued within 10 working days of receipt of responses.	100%
Compliance with TIAA's audit charter and PSIAS/IIA Standards.	100%

Title:	Internal Control Report
Author:	Anne Matthews, Finance & Budget Officer
Purpose of the report:	To provide the Joint Audit Committee with an overview of Internal Control activity within the Force
The report is provided to JAC for: (tick one)	☐　Decision ☐　Discussion ✓　Assurance ☐　Information
Summary / Key Points:	The report focusses on key Internal control activity regarding: • Recommendation status from previous TIAA Audits • Management response regarding Client Briefing Notes (CBNs), Fraud Alerts, Fraud Articles and Security Alerts including those issued in the period • TIAA audits issued in the period • Updates on Limited assurance audits • TIAA's 2021-22 Draft Annual Report • Current status of 2021-22 Internal Audit Plan • Current status of 2022-23 Internal Audit Plan • Internal Audit Action Updates regarding 28/03/2022 JAC Actions • Summary The first 7 pages of the report provide an overview with the following 8 pages providing supplementary information via Appendices, should it be required. Particular emphasis in the report is focussed on progress around the recent Limited assurance audit; Head of ICT Services will be present at the meeting to give further assurance.
Recommendations:	None
Risk Register Impact:	TIAA control findings, Client Briefing Notes and Fraud Alerts have been considered for reflection on the Force Risk Register.
Assurance Implications:	This report is directly relevant to Internal Control Activity providing Assurance in North Wales Police.
Equality Impact:	None
Information Exempt from Disclosure:	N/A – All content in Open Session

JOINT AUDIT COMMITTEE

INTERNAL CONTROL REPORT – 28TH July 2022

REPORT OF THE NORTH WALES POLICE AND CRIME COMMISSIONER AND CHIEF CONSTABLE

1. INTRODUCTION

The purpose of this report is to provide an update on the Internal Control Activity undertaken since the last Joint Audit Committee and is based on information received and recorded by 30/06/2022. The aim is to supplement the TIAA papers received by JAC with a view to providing additional assurance.

It is anticipated that further activity may have been undertaken by the JAC July meeting itself, which will be verbally updated on exception at the meeting.

The report focusses on key Internal control activity regarding:

- Recommendation status from previous TIAA Audits
- Management response regarding Client Briefing Notes (CBNs), Fraud Alerts, Fraud Articles and Security Alerts issued in the period
- TIAA audits issued in the period
- Update on Limited Assurance audits
- TIAA's 2021-22 Draft Annual Report
- Current status of 2021-22 Internal Audit Plan
- Current status of 2022-23 Internal Audit Plan
- Internal Audit Action Updates regarding 28/03/2022 JAC Actions
- Summary

2. RECOMMENDATION STATUS OF TIAA AUDITS

The position on Internal Audit recommendations as at 30/06/2022 is outlined below, a reduction has been seen since the March update due to the reduction in the number of audit reports received in the period:
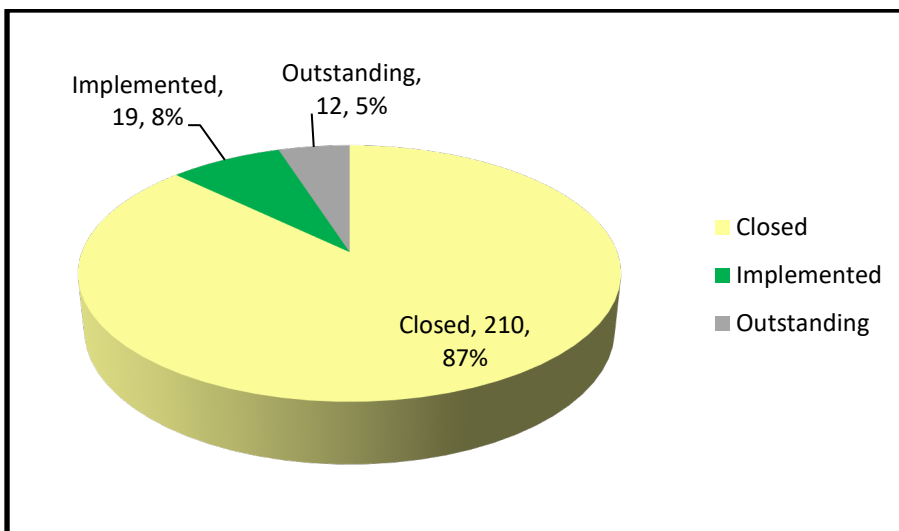
Movement since the last JAC meeting is as per the below:

- 8 new recommendations received during this period.
- 6 (new) recommendations implemented.
- 8 (existing) recommendations implemented.
- 1 implemented recommendation relating to 2021/2022 closed.

Summary of 14 recommendations that have been implemented since March meeting detailed below:

Priority	ID	Job	Rec status	JAC MEETING 28/07/2022
2	259469	21/22 Fixed Assets	New	1
	249421	20/21 Collaborative Project Review – Office 365	Existing	1
	249423	20/21 Collaborative Project Review – Office 365	Existing	1
	257008	21/22 Occupational Health Unit	Existing	1
	257012	21/22 Occupational Health Unit	Existing	1
	256352	21/22 Automatic Number Plate Recognition (ANPR) - Collaborative	Existing	1
	259468	21/22 Fixed Assets	New	1
	259470	21/22 Fixed Assets	New	1
	259471	21/22 Fixed Assets	New	1
	259472	21/22 Fixed Assets	New	1
	259473	21/22 Fixed Assets	New	1
3	256276	21/22 HR Management – HR Strategy	Existing	1
	256871	21/22 Strategic Planning	Existing	1
	256275	21/22 HR Management – HR Strategy	Existing	1
Grand Total				14

The carried forward recommendations continue to be monitored and pursued routinely.

The **accumalative** total of 19 remaining implemented recommendations since March meeting is outlined below:

Status Summary - Implemented	Category	No
Implemented on or before original due date	Cat 1	13
Implemented on or before 1st revised due date	Cat 2	2
Implemented on or before 2nd revised due date	Cat 3	0
Implemented on or before 3rd revised due date	Cat 4	0
Implemented on or before 4th revised due date	Cat 5	0
Implemented on or before 5th revised due date	Cat 6	0
Implemented after original and/or revised due date	Cat 7	4
		19

Analysis of the 12 outstanding recommendations as at 30/06/2022 is also outlined below:

Status Summary - Outstanding Recommendations	Category	No
No of Recommendations - still on original due date	Cat 1	4
No of Recommendations - 1st revised due date	Cat 2	5
No of Recommendations - 2nd revised due date	Cat 3	1
No of Recommendations - 3rd revised due date	Cat 4	2
No of Recommendations - 4th revised due date	Cat 5	0
No of Recommendations - 5th revised due date	Cat 6	0
No of Recommendations - Overdue	Cat 7	0
		12

An ongoing emphasis on trying to ensure that the initial deadlines set are both appropriate and realistic (to ensure that the revision of dates isn't happening as a matter of course) remains in place.

Analysis of the 12 outstanding recommendations and how they tally to each audit is provided on Appendix 1, page 8.

The latest position and update regarding the 12 outstanding recommendations is included in Appendix 2, pages 9-12. This includes the Responsible Officer for each outstanding action with roles, rather than individual names included in the report.

Details of 1 recommendation closed in April 2022 below:

Priority	Type	Job	No of Recs - closed
2	**Important**	21/22 ICT - Pensions - Cyber security	1
Grand Total			**1**

3.   **MANAGEMENT RESPONSE REGARDING CLIENT BRIEFING NOTES (CBNs) FRAUD ALERTS, FRAUD ARTICLES AND SECURITY ALERTS INCLUDING THOSE ISSUED IN THE PERIOD**

Current status of CBNs, Fraud Alerts, Fraud Articles and Security Alerts is shown below:

Type	Total No rec'd	No rec'd in current period	Action Required	Open Actions
CBNs - 19016-22015	51	3	0	0
Fraud Alerts - FA024 -FA028	28	5	0	0
Fraud Articles - FA001-FA005	5	5	0	0
Security Alerts - SA001	1	0	0	0

CBNS and Fraud Alerts received during the period were reviewed and progressed by the management team.

There were three CBNs, five fraud alerts, five fraud articles and no security alerts issued in the period 02/03/2022 to 30/06/2022.

CBNs

- CBN-22010 – Action required – Urgent - Increased Cyber Security Risks - IS&C and ICT have been reviewing our defences against a cyber-attack, particularly with the Ukraine/Russia situation, home/agile working and 3rd party/vendor risks. Alerts from the NMC (Police Digital Service) are arriving in NWP which are seen by IS&C, ICT and CGI. Primarily ICT lead on these alerts. IS&C would look to see if the information provided tied in with any other vulnerabilities/information to hand (intel gathering) plus IS&C and PSD would look for unusual user activity.
  Cyber security is monitored via the Force Risk Register; Risk 46 -Digital Transformation and Risk 60 – Cyber Security Threats.
- CBN-22014 – Information - Deadline for Withdrawal of Old Style £20 & £50 Notes – Circulated to SSF, Corporate finance and uploaded to Fy Llais.
- CBN-22015 – Action required - More than 75% of larger charities targeted by cyber criminals since last year – circulated email circulated by ICT Security Manager re regular maintenance and patching for force computers detailing the requirement for all computers to be restarted after each patch cycle. This information is also available on Fy Llais.
  Cyber security is monitored via the Force Risk Register; Risk 46 -Digital Transformation and Risk 60 – Cyber Security Threats.

Fraud Alerts

- FA024 – Action required - Cyber Attack Threat Heightened – Employees – circulated- Alerts from the NMC (Police Digital Service) are arriving in NWP which are seen by IS&C, ICT and CGI. Primarily ICT lead on these alerts. IS&C would look to see if the information provided tied in with any other vulnerabilities/ information to hand (intel gathering) plus IS&C and PSD would look for unusual user activity.
Cyber security is monitored via the Force Risk Register; Risk 46 -Digital Transformation and Risk 60 – Cyber Security Threats.
- FA025 – Action required - Cyber Attack Threat Heightened - circulated- Alerts from the NMC (Police Digital Service) are arriving in NWP which are seen by IS&C, ICT and CGI. Primarily ICT lead on these alerts. IS&C would look to see if the information provided tied in with any other vulnerabilities/ information to hand (intel gathering) plus IS&C and PSD would look for unusual user activity.
Cyber security is monitored via the Force Risk Register; Risk 46 -Digital Transformation and Risk 60 – Cyber Security Threats.
- FA026 – Action required - Payment Terminal Machines – circulated – Payments are received and refunded through the NWP funding account; this account is reconciled on a daily basis, refunds/payments are tracked by JS who are able to confirm what the payments/refunds relate to in order for SSF to code the transactions to the correct business area.
- FA027 – Action required - Council Tax Rebate Scam – circulated to Facilities/SSF and uploaded to Fy Llais for wider awareness of scam.
- FA028 – Action required – Scam texts regarding Omicron contact and booking a PCR test – circulated and uploaded to Fy Llais for wider awareness of scam.

Fraud Articles – for information purposes only

- FAR001 – Authorised Push Payments Fraud – circulated and uploaded to Fy Llais for wider awareness of scam.
- FAR002 – Investment Fraud - circulated and uploaded to Fy Llais for wider awareness of scam.
- FAR003 – Ticketing Fraud - circulated and uploaded to Fy Llais for wider awareness of scam.
- FAR004 – Holiday Fraud - circulated and uploaded to Fy Llais for wider awareness of scam.
- FAR005 – Conation Fraud - circulated and uploaded to Fy Llais for wider awareness of scam.

Security Alerts

- No new security alerts received during 02/03/2022 to 30/06/2022

4. TIAA AUDITS ISSUED IN THE PERIOD

Three 2021-22 TIAA audits were issued in the period 02/03/2022 to 30/06//2022 one was graded Substantial; one was graded Reasonable and one was graded Limited; further details of the audits and the associated findings are reflected in the TIAA SICA report.

5. UPDATE ON LIMITED ASSURANCE AUDITS

ICT Fixed Assets

2021/2022 Fixed Assets - ICT – Limited Assurance – There were 6 important recommendations; Confirmation received from IWJ Head of ICT services that all recommendations have been implemented 07/06/2022.

ID	Priority	Responsible Officer	Due Date	Implementation Date
259468	2	Head of ICT Services	30/06/2022	07/06/2022
259469	2	Head of ICT Services	08/04/2022	08/04/2022
259470	2	Head of ICT Services	30/06/2022	07/06/2022
259471	2	Head of ICT Services	30/06/2022	07/06/2022
259472	2	Head of ICT Services	30/06/2022	07/06/2022
259473	2	Head of ICT Services	30/06/2022	07/06/2022

The Head of ICT Services will attend the July JAC meeting to discuss this audit, below is a brief summary of action taken to implement recommendations.

259468 – Assets identified, location verified and CMDB updated.

259469 – Duplicate records all checked, verified as duplicates and removed from CDMB

259470 - Assets identified, location verified and CMDB updated.

259471 – Recommendation - A process be established to ensure the accuracy of the CMDB in relation to disposed assets.

Process now in place; NWP have provided secure location to store assets while awaiting disposal. CGI now arrange secure disposal directly and will manage the certificates directly with vendor and CMDB updates.

259472 – Recommendation - A process be established for supporting the ICT Department in retrieving devices when employees leave the organisation or are on long term absence (for example maternity leave)

CGI have implemented a number of processes which run on a monthly basis to identify "exceptions"

- Should an asset not connect to the domain in 90 days, these are disabled, the details of the asset and the last user are provided in an exception report for the Service Desk and NWP to chase users and find out what is happening with the asset.
- Should the owner of the asset and the last known user of the asset be different, an exception report is created for the Service Desk and NWP to chase the owner to confirm if the asset is still theirs or if it has been given to someone else.

Through these exception reports, we will be able to identify assets for leavers or long-time sick employees and then collect. We feel that this will cover the requirements today but there are ongoing discussions with the various business functions in NWP to update Business processes and ensure that CGI are alerted to leavers so the relevant collection and rebuilds can take place as well as CMDB is updated.

In respect of uncollected assets, the change in how this will be "policed" by CGI as of now onwards will result in such being identified as we progress, where I will be discussing in our monthly CGI Service Reviews a Report from CGI highlighting all assets which haven't connected onto our network infrastructure in excess of 90 days, and where CGI will have immediately disabled such an asset when it hits that alert level, and where they will further query either the primary user against that asset or worse-case the last known user who logged onto it, and if that doesn't lead to clarity as to the "why" here, we'll then raise such queries direct through our NWP BM, HR and BSU colleagues to confirm status, and from that make arrangements potentially to collect such assets, ensuring we fully update the CMDB Configuration Management Database.

Longer-term I would expect NWP HR and BSU to be able to allow the process to flow the other way and be much more proactive through what is proposed with their account management process, aligned to Leavers, long-term S/L and maternity leave for example where they will offer us and CGI (or our future Vendors) details of relevance which will allow us to meet such requirements more promptly than the 90 day position we are dependent on currently.

Most of the above will be as such managed day to day by CGI, it just that I will be ensuring in future that I govern such a process, and make sure such action is happening and that these assets are being collected if clearly unused over a time period, and that's what I will be discussing every month with CGI.

259473 – Recommendation - An arrangement be established to ensure the accuracy of the asset register as maintained by CGI.

CGI have implemented a number of processes which runs on a monthly basis to identify "exceptions"

- Should an asset not connect to the domain in 90 days, these are disabled, the details of the asset and the last user are provided in an exception report for the Service Desk and NWP to chase users and find out what is happening with the asset.
- Should the owner of the asset and the last known user of the asset be different, an exception report is created for the Service Desk and NWP to chase the owner to confirm if the asset is still theirs or if it has been given to someone else. Through these exceptions, we will be able to maintain the accuracy of the CMDB.

The stakeholders are scheduled to meet to assess whether a risk should crystallise on the Force Risk Register.

Fixed Assets is due to be re-audited as a collaborative audit in Q3, dates to be agreed.

6. **TIAA'S 2021-22 DRAFT ANNUAL REPORT**

The draft annual report has been issued and circulated; information below extracted from draft report. TIAA to give further update in meeting.

"TIAA carried out 25 reviews, 24 of which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve Police and Crime Commissioner for North Wales and Chief Constable North Wales Police's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided.

Four of the 24 assurance reports have not yet been issued, although fieldwork is ongoing, and are excluded from the summaries below. These will be updated when the final report annual report is issued".

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	12	13
Reasonable Assurance	6	6
Limited Assurance	2	1
No Assurance	0	0

HEAD OF INTERNAL AUDIT'S DRAFT ANNUAL OPINION

I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a positive conclusion as to the adequacy and effectiveness of the Police and Crime Commissioner's and the Chief Constable's risk management, control and governance processes. In my opinion, the Police and Crime Commissioner and the Chief Constable have adequate and effective management, control and governance processes in place to manage the achievement of their objectives. This opinion is in draft as four audit reviews remain outstanding, however our overall opinion is not expected to change.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Office of the Police and Crime Commissioner for North Wales and the Chief Constable North Wales Police from its various sources of assurance.

7. 2021-22 INTERNAL AUDIT PLAN

Current status of the 2021-22 internal audits:

- 18 NWP Audits - 14 audits completed and reports finalised (the follow up audit is not graded); 3 audits – awaiting draft report; 1 audit (Fleet Strategy) deferred to 2022/2023.
- 10 Collaborative audits (4 Welsh Forces) – 7 audits completed; 1 audit – awaiting draft report; 2 audits (Payroll and Creditors) – deferred to 2022/2023.

8. 2022-23 INTERNAL AUDIT PLAN

Following Joint Audit committee approving the draft Internal Audit Plan for 2022-23 in March 2022 meeting this report has been finalised and the scheduling of audits has commenced. Detailed summary in Appendix 3 including associated risk on pages 13-14.

Current status of the 2022-23 internal audits:

- 17 NWP Audits - 3 audits - booked in (1 of which deferred to Q2 -PSTC due to staff abstractions);1 audit – draft report issued and circulated for management comments; 2 audits - awaiting draft report; 11 audits yet to be scheduled.
- 9 Collaborative audits (4 Welsh Forces) – 7 audits booked in; 1 audit with proposed dates awaiting confirmation and 1 audit awaiting revised dates. Please note these audits have been deferred following consultation with audit leads and 4 Welsh Forces.

- o NWP lead - HR- OLEEO audit has been deferred to Q4 January due to intakes over the summer period, NWP & GWP booked in awaiting confirmation from DPP and SWP.
- o DPP lead - ICT-Fixed Assets audit deferred to Q3 – awaiting revised dates.

9. INTERNAL AUDIT ACTION UPDATES STEMMING FROM 28/03/2022 JAC MEETING

AP7 - Internal Audit - Director of Finance and Resources to consider suggestions and take into consideration when developing the APM.

As per minutes from March 2022 meeting DFR noted and happy to take suggestions forward and will take into consideration when reviewing APMs and in particular for any ICT / Cyber security audits in particular which was the context for the action.

The process on receipt of APMs (Audit Planning Memorandums):

APMs give the detailed scope of the audit, documentation required and a self-assessment response (SAR). Within the SAR NWP audit leads have the opportunity to direct any particular matters/period that they would like the audit review and consider.

If amendments to the scope are required the audit lead can arrange a meeting with the TIAA auditor. For NWP only audits this is discussed and finalised directly with TIAA, if the scope requires amending on a Collaborative audit the Audit Coordinators will liaise with the other Forces to get the amended scope approved.

As at 30/06/2022 the APMs for the ICT audits have not been received, although the DFR and TIAA have been in discussion over them and upon receipt they will be processed in line with above.

10. SUMMARY

This report is provided to the Joint Audit Committee to provide assurance around the internal control activity taking place in the period.

It should be read in conjunction with TIAA's SICA report and is supplemented by the detailed Internal control schedules shared with JAC members along with the TIAA internal audit reports that are also routinely shared.

Appendix 1 - Analysis of the 12 outstanding recommendations and how they tally to each audit

No	ID	Service	Job	Year	Risk Area	Type	Recs Monitored Via	Linked to Risk Register
001	237156	ICT Audit	GDPR Compliance Audit PO No FN27625	2018	Operational Risk	Existing	Quarterly Joint Governance Board	72 Data Protection
002 003 004 005	249422 249424 249425 249426	ICT Audit	20/21 Collaborative Project Review – Office 365	2020	Directed Risk	Existing	Quarterly Joint Governance Board; Digital Transformation Board	46 Digital Transformation Programme
006	252116	Internal Audit	21/22 Western Area - Command Unit	2021	Directed Risk	Existing	Quarterly Joint Governance Board; Quarterly H & S meeting	-
007 008 009	257009 257010 257011	Internal Audit	21/22 Occupational Health Unit	2021	Directed Risk	Existing	Quarterly Joint Governance Board	-
010	258218	Internal Audit	21/22 Agile Working - Collaborative	2021	Directed Risk	Existing	Quarterly Joint Governance Board; Quarterly H & S meeting	-
011	258804	Internal Audit	21/22 Debtors - Collaborative	2021	Delivery Risk	New	Quarterly Joint Governance Board	-
012	259474	ICT Audit	21/22 ICT – Network Security	2021	Directed Risk	New	Quarterly Joint Governance Board; Digital Transformation Board	10 Network Security Risk from External Evidence 11 Encryption of Disks 46 Digital Transformation 60 Cyber Security Threats 72 Data Protection

Appendix 2 – Latest Management Response relating to Outstanding Recommendations

<u>Overview</u>

Priority Level	No	Responsible Officer	Job	Original Due Date	Revised Due Date	No of Recs
2	001	Programme Manager, Corporate Programme Office	GDPR Compliance Audit PO No FN27625	31/03/2020	01/03/2023	1
	002	Superintendent, SMT, Corporate Services	20/21 Collaborative Project Review – Office 365	31/03/2022	30/09/2022	1
	003	Superintendent, SMT, Corporate Services	20/21 Collaborative Project Review – Office 365	31/03/2022	30/09/2022	1
	004	Superintendent, SMT, Corporate Services	20/21 Collaborative Project Review – Office 365	30/09/2023		1
	006	Health & Safety Administrator	21/22 Western Area - Command Unit	01/09/2021	31/07/2022	1
	007	Head of Medical Services and Wellbeing	21/22 Occupational Health Unit	31/07/2022		1
	008	Head of HR	21/22 Occupational Health Unit	31/03/2022	30/06/2022	1
	009	Head of Medical Services and Wellbeing	21/22 Occupational Health Unit	31/05/2022	30/09/2022	1
	012	Head of ICT Services	21/22 ICT – Network Security	30/06/2022	30/11/2022	1
3	005	Superintendent, SMT, Corporate Services	20/21 Collaborative Project Review – Office 365	30/09/2022		1
	010	Programme Manager & Health and Safety Manager	21/22 Agile Working - Collaborative	01/04/2022	31/07/2022	1
	011	Treasury & Finance Officer	21/22 Debtors - Collaborative	30/09/2022		1
Grand Total						12

Latest updates

No	ID	Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Category	Latest Response
001	237156	GDPR Compliance Audit PO No FN27625	A review process be introduced to minimise the risks around sensitive data being stored to network drives.	2	NWP is moving to Office 365 as part of the National Enabling Programme. As part of this work, we will move from the current shared drives arrangement to a more structured approach to data sharing with teams. As part of the migration to Office 365, a full review of the existing information there will need to be conducted, and thereafter ongoing governance as to its use will be controlled.	Programme Manager, Corporate Programme Office	31/03/2020	01/03/2023	4	21/04/2022 - Update received from Corporate Programme Manager - No significant update. The target date for achievement remains March 2023. Current activity is focused on the automated conversion of legacy office document formats and also assessment on suitability for transfer from Group Drives into SharePoint Online. Once these processes have been undertaken, Business areas will commence review of information and transfer into IAM controlled SharePoint environments. **07/06/2022 - Update received from Project Manager - CGI are currently conducting a risk assessment against the proposed migration tool for referral to IS&C. Approval will be sought at this time to progress to migrate the data with guidance to M365 SPOCs in each department to minimise risk regarding sensitive data.**
002	249422	20/21 Collaborative Project Review – Office 365	Additional support be provided when on boarding officers attached to collaborative units who may have access to applications that have not been previously tested for compatibility with Windows 10.	2	NWP: Included in the approach to incrementally roll out MS365 and the NEP design team is a preparation phase where a SPOC will be identified within a team to be migrated first and test all application to ensure there are no issues.	Superintendent, SMT, Corporate Services	31/03/2022	30/09/2022	2	21/04/2022 - Update received from Corporate Programme Manager - No significant update. The testing of software for compatibility is a standard process during the NEP deployment. Expectations are that the rollout will complete in August / September 2022. **07/06/2022 - Update received from Project Manager - The testing of software for compatibility continues to be prioritised ahead of NEP onboarding for all users in NWP during the rollout. The majority of specialist applications were tested during phase 1 and function successfully on NEP devices. Any further testing will continue where applicable through to completion of the NEP deployment, which is estimated to be completed in Sept 2022.**
003	249424	20/21 Collaborative Project Review – Office 365	An appropriate information governance framework be implemented to manage the use of power apps.	2	NWP: A Systems Operating procedure (SysOps) will be developed for MS365 applications including PowerApps. Business rules are currently being established for each application. A DPIA covering the NEP solution has been produced. The need for a specific DPIA for PowerApps will be reviewed during the production of the SysOps.	Superintendent, SMT, Corporate Services	31/03/2022	30/09/2022	3	21/04/2022 - Update received from Corporate Programme Manager - This remains in progress. No significant update since the last update. Recruitment remains ongoing. **07/06/2022 - Update received from Project Manager - Recruitment of a sys admin is still a challenge. Priority is being given to update existing policy/ sys ops for some core aspects. NWP have recruited a Head of Applications role. The successful candidate is due to start in the coming months and will work with the PMO to develop a process of assessment, assurance, suitability for any apps (including Power apps) that users find or wish to be developed.** **Suggest revised due date of September 2022 due to recruitment of both roles.**
004	249425	20/21 Collaborative Project Review – Office 365	A benefits realisation review be undertaken 12 to 18 months after the completion of the NEP Office 365 project.	2	NWP: To be conducted by the PMO	Superintendent, SMT, Corporate Services	30/09/2023		1	21/04/2022 - Update received from Programme Manager - No significant updates. Remains on track for September 2023. **07/06/2022 - Update received from Project Manager - Remains on track for September 2023.**
005	249426	20/21 Collaborative Project Review – Office 365	The information asset registers at all three Forces be reviewed and updated subsequent to the implementation of Office 365 and SharePoint.	3	NWP: Information Asset Ownership is under review as part of our Business Rules work and production of SysOps to be completed prior to commencing full roll out April 2021.The roll out approach will be incremental with services taking ownership of their data held on Microsoft applications as they are on boarded.	Superintendent, SMT, Corporate Services	30/09/2022		1	21/04/2022 - Update received from Corporate Programme Manager - No significant update. Recruitment remains in progress to backfill the role of an individual identified to take responsibility for development of Sys Ops and associated documentation. Until this role can be backfilled, priority must remain on deployment. Information Asset Registers remain relevant and will however largely require updating to reflect transition of information from Network Drive locations to SharePoint Online. **07/06/2022 - Update received from Project Manager - Backfill for this role is still a challenge and therefore the deployment of NEP has been prioritised at this time.**

No	ID	Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Category	Latest Response
006	252116	21/22 Western Area - Command Unit	Training for fire marshals at Llangefni and Caernarfon police stations be maintained and kept up to date.	2	We note that the auditor recognises that H&S training has been affected due to COVID. Moving forward, we will ensure that the issues highlighted will be addressed, our training processes strengthened and maintain up to date records. We will focus on training the right staff at both locations in line with the recommendation. The H&S Administrator has been tasked to liaise with the members of staff and the Training Department. The list of Fire Marshalls at both locations will be amended to reflect the correct information. Worthy of note, is that SPOCS have a responsibility to inform the H&S Unit when Fire Marshals move to other locations/role so that records are kept up to date in line with our legislative responsibilities. Without this information, the H&S unit cannot maintain accurate records.	Health & Safety Administrator	01/09/2021	31/07/2022	4	15/03/2022 - Update received from Training Admin; Due to unavailability of trainer the Fire Steward Course due on 16/03/2022 was cancelled.25/04/2022 - Confirmation from Training Admin that there are currently 32 officers/support staff on the waiting list for the Fire Steward Training course. **19/05/2022 - Update received from Training Dept Supervisor - a trainer is available to run the Fire Steward Course on the following dates:01/07/2022,21/07/2022 and 29/07/2022. There should be enough room on these dates to clear the urgent backlog.**
007	257009	21/22 Occupational Health Unit	Examples of evidence be developed to ensure the Occupational Health Unit complies with Standard C2.4 and C2.5 relating to clinical quality.	2	Clinical audit undertaken - second record keeping audit in June & departmental KPI's to be developed.	Head of Medical Services and Wellbeing	31/07/2022		1	24/05/2022 - confirmation from Head of Medical Services that this is on track.
008	257010	21/22 Occupational Health Unit	The following Policies and Procedures be finalised and approved as planned: The Grievances and Appeals Policies; Working with Disability Policy and Procedure.	2	These policies have been through the assurance board and are at the end stage of agreement. As stated during the audit these policies will be finalised by 31/03/2022.	Head of HR	31/03/2022	30/06/2022	2	03/05/2022 - Update from Head of HR - Appeal policy/procedure is complete but needs sharing with Federation and Unison prior to publication. The grievance policy has undergone revision based on recent cases so has taken longer than anticipated; there are a lot of associated forms/documents that need rationalising etc.
009	257011	21/22 Occupational Health Unit	Outcomes of Customer Feedback Questionnaires be documented outlining the results, recommendations, actions and any lessons learnt and these be reported to the People and Organisational Development Strategic Board.	2	Feedback forms initiated Feb 2022 changing collection to an electronic version for data capture.	Head of medical Services and Wellbeing	31/05/2022	30/09/2022	2	24/05/2022 - Update from Head of Medical Services - Work in progress, meeting organised 6th June to reconcile all feedback routes, where the information is captured, format etc. and determine the direction of reporting going forward across the department. Also delays to the implementation of the Riomed Occ Health IT Software deferred from June to provisionally Sept due to extended configuration build and additional IT security requirements to be built and tested by Riomed. In view of the Riomed delays which is key to resolve the action the due date has been revised to 30/09/2022.
010	258218	21/22 Agile Working - Collaborative	Arrangements be put in place to encourage employees force-wide to complete Display Screen Equipment (DSE) assessments with a view of ensuring that all staff requiring to undertake an assessment are doing so.	3	Those that wish to continue working from home more often than not, will be required through the application process to complete a DSE. For those who do not apply or fall outside the process (Fixed and Agile), force wide communications will be sent out post the application process to complete a DSE. This will be coordinated with the NWP Health and Safety Department.	Programme Manager & Health and Safety Manager	01/04/2022	31/07/2022	2	11/05/2022 - Update received from Programme Manager - Received H&S data; the numbers are better but nowhere near where they should be. Of the 615 employees who have applied for and been approved for Hybrid working only 280 have completed a DSE since 01/02/22 to 09/05/22. So, this action isn't complete. I did raise it with the Head of Local Policing before we had the data as I suspected it was going to be better but still low. We will craft some further stronger comms to come from Chief Supt, Head of Local Policing. 27/05/2022 – Update received from Programme Manager - Following a meeting with Chief Supt, Head of Local Policing I can confirm that comms will be going out after half term to the "Hybrid" staff who haven't completed a DSE. This Comms will give a deadline of 30/06/2022 for completion of DSE. Post this the Agility Programme will hand off the DSE to The Health and Safety Manager to progress for the rest of the organization. The Agility team will provide H&S the data sets of those workers in the Hybrid category and their DSE status. **21/06/2022 - Comms issued to all Employees from Chief Supt, Head of Local Policing. Deadline has been extended to 31/07/2022 for all staff to comply with request; implementation date amended accordingly.**

No	ID	Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Category	Latest Response
011	258804	21/22 Debtors - Collaborative	A course of action to be agreed in respect of the old "queried Invoices with SFF" balances and implemented.	3	The five invoices totalling £565.48 relate to the period 18/11/16 to 23/01/18 covering two financial years 2016/17 and 2017/18. It has been agreed that the Financial Accountant and Treasury & Finance Officer will look to clear them or write them off by the end of September 2022. The Treasury & Finance Officer will discuss the invoices with the SSF Manager to assist in the decision making.	Treasury & Finance Officer	30/09/2022		1	TFO/FA still undertaking final accounts duties hence due date being set to 30/09/2022.
012	259474	21/22 ICT – Network Security	The 103 Windows 7 devices identified where the primary user also has access to a Windows 10 device be disabled and the user contacted to arrange the return of the Windows 7 device to ICT.	2	CGI will contact the users/SPOCs for all non JCC devices and will arrange rebuild or collection for disposal. We will also compare this list of assets with the NWP PMO NEP Build replacement programme, to clarify if there are plans to replace any of these over the coming weeks. Since the audit 165 devices have been identified as JCC devices in Colwyn Bay/St Asaph; as per finding these will be upgraded when the new ICAD on-call in the cloud service becomes active for NWP.	Head of ICT Services	30/06/2022	30/11/2022	2	07/06/2022 – Update received from Head of ICT Services - There is extended support in place for Windows 7 until 13th January 2023. So, operating system patching will continue to take place until then and this is the deadline, we are working to in order to remove all Windows 7 machines from the estate. Two Separate pieces of work occurring in this area: 1. 161 Windows 7 devices in JCC Control Room - Windows 10 operating system test device provided to Hexagon. Hexagon attempting to build Control Room application on Windows 10 machine. If successful, image can be rolled out on the 161 machines. 2. 224 Windows 7 machines actively being used across the estate. This is split between 39 laptops and 185 Desktops. All of these machines have been identified as machines that cannot be built with the NEP build and as such need to be replaced. CGI currently working with NWP ICT to give details of devices so that NWP can arrange replacement devices.

Appendix 3 - 2022-23 Audit Plan Schedule – Associated Risk

Current Status	
NWP Audits - booked in	3
NWP audits- awaiting dates	11
Collaborative audits - booked in	7
Collaborative audits - proposed dates	1
Collaborative audits - awaiting revised dates	1
Fieldwork Commenced	2
Draft report issued	1
Final report issued	0
	26

Title	Type	Planned Quarter	Revised Quarter	Current Status	Fieldwork Commencement Date	Expected Completion Date	Assurance Level	No of Recommendations	Associated Risk
Governance - Yr 3 Community Engagement	Assurance	Q2		Awaiting dates					-
Governance - Yr 3 Corporate Communications	Assurance	Q1	Q2	Booked in	22/08/2022	02/09/2022			-
Governance - Health & Safety Management	Assurance	Q3		Awaiting dates					76 H&S; closed monitored via Risk Assurance Mapping
Risk Management – Mitigating Controls - Collaborative audit	Compliance	Q2		CA -Booked in	06/07/2022	08/07/2022			-
ICT - Cyber Security	Assurance	Q3		Awaiting dates					46 Digital Transformation 60 Cyber Security Threats
ICT - Change Management	Assurance	Q2		Awaiting dates					-
ICT Fixed Assets - Collaborative audit	Compliance	Q2	Q3	CA - Awaiting revised dates	01/10/2022	01/10/2022			Awaiting outcome of scheduled meeting
Payroll incl overpayments- Collaborative audit	Assurance	Q2		CA -Booked in	19/09/2022	21/09/2022			93 Inadequate financial resources to deliver service plans
Creditors - Collaborative Audit	Assurance	Q2		CA -Booked in	13/09/2022	15/09/2022			93 Inadequate financial resources to deliver service plans
Pensions	Assurance	Q2		Awaiting dates					71 Pensions
Title	Type	Planned Quarter	Revised Quarter	Current Status	Fieldwork Commencement Date	Expected Completion Date	Assurance Level	No of Recommendations	Associated Risk

Expenses & Additional payments - Collaborative audit	Compliance	Q2		CA -Booked in	25/07/2022	27/07/2022			93 Inadequate financial resources to deliver service plans
Treasury Management	Assurance	Q3		Awaiting dates					14 Risk of loss of money invested on the money market
Capital Programme - Collaborative Audit	Assurance	Q3		CA -Booked in	10/10/2022	13/10/2022			93 Inadequate financial resources to deliver service plans
Counter Fraud Procurement - Collaborative audit	Compliance	Q3		CA -Booked in	12/12/2022	15/12/2022			-
Fleet Management - Repairs incl BMW Issues	Compliance	Q3		Awaiting dates					94 BMW Engines N57 an B57 issues
Fleet Strategy - Collaborative Audit	Assurance	Q3		CA -Booked in	17/10/2022	19/10/2022			-
Estates Management - Delivery	Compliance	Q1		Draft report issued	26/05/2022	31/05/2022	Substantial	2 x Routine	93 Inadequate financial resources to deliver service plans
Command Unit - Central Area	Compliance	Q1		Booked in	01/07/2022	09/07/2022			-
Contract Management – (Building/ICT/Services Project)	Assurance	Q1		Fieldwork commenced	20, 26/04/2022	28/04/2022			93 Inadequate financial resources to deliver service plans
Property Subject to Charge	Compliance	Q1	Q2	Booked in	26/09/2022	30/09/2022			75 PTSC; closed monitored via Risk Assurance Mapping
Vetting - Uplift officers, new recruits, transferees	Compliance	Q2		Awaiting dates					-
Firearms Licensing	Compliance	Q3		Awaiting dates					-
HR/Workforce Management – Wellbeing Strategy	Assurance	Q1		Fieldwork commenced	13/06/2022	20/06/2022			-
HR Recruitment - OLEEO - Collaborative audit	Assurance	Q2	Q4	CA -Proposed dates	01/01/2023	01/01/2023			81 Inability attracting Staff to apply for key roles in NWP
HR Absence Management linked to Agility	Assurance	Q3		Awaiting dates					-
Follow up		Q4		Awaiting dates					-

Appendix 4 – Recommendation Categorisation

"Priority" refers to the implementation timeline to adopt:

Description	Priority
URGENT - Fundamental Control issue on which action should be taken immediately.	1
IMPORTANT - Control issue on which action should be taken at the earliest opportunity.	2
ROUTINE - Control issue on which action should be taken.	3

"Category" refers to date revisions as per the below:

Description	Category
Recommendations - still on original due date	1
Recommendations - 1st revised due date	2
Recommendations - 2nd revised due date	3
Recommendations - 3rd revised due date	4
Recommendations - 4th revised due date	5
Recommendations - 5th revised due date	6
Recommendations - Overdue	7

Internal Audit

FINAL

The Police and Crime Commissioner for North Wales and Chief Constable North Wales Police

Assurance Review of Fixed Assets

2021/22

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

The management of physical and Information Technology (IT) assets is an important part of the business of any organisation. While not a specific risk on the Force Risk Register at the time of review, the management of these assets constitute a considerable cost on budgets.

KEY STRATEGIC FINDINGS

Issues were identified during sample testing in relation to confirming the location of desktop and laptop devices and the reliability of records maintained.

The ICT Department would benefit from support provided by departments force-wide in identifying devices that need to be returned when they are no longer in use.

A process needs to be established for ensuring the accuracy of asset data maintained by CGI.

GOOD PRACTICE IDENTIFIED

Appropriate arrangements were in place to ensure the secure disposal of hardware was undertaken by an accredited provider.

SCOPE

The review considered the identification of assets that need to be recorded in the asset register, the identification, locating and recording of assets, inventories and the disposal of assets. The review also included consideration of departmental asset registers and the processes for reconciling these back to finance asset registers. The scope of the review did not include consideration of the purchasing, depreciation policies or insurance arrangements.

ACTION POINTS

Urgent	Important	Routine	Operational
0	6	0	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Sample testing of 10 devices selected from the Configuration Management Database (CMDB) extract identified that six could not be located at the time of review although the CMDB indicated that they were deployed. Of the 10, five had no location nor owner noted on the CMDB and five had location noted as 'unknown' and no owner. Details of the unidentified assets are included in Appendix C of this report.	Assets for which both the location and owner are unidentified be investigated and confirmed to be physically present, with the records updated on the database.		*Five of the six have been located and verified; CMDB updated accordingly. Details of each asset will be recorded in the TIAA portal.* *D000609 – this is a desktop and is used as a shared asset; further work is ongoing to verify this asset.*	30/06/22	*Head of ICT Services*
2	Directed	A review of the Configuration Management Database (CMDB) identified that five asset records appeared to be duplicate entries. Upon discussion with the Deputy ICT Infrastructure Manager it was confirmed that these were duplicates and needed to be investigated and corrected. Details of the duplicate records identified are included in Appendix C of this report.	All duplicate records be investigated and confirmed to be physically present, following which the records be updated on the database.	2	*Duplicate records in the CMDB have all been checked, verified as duplicates and removed.*	*Complete*	*Head of ICT Services*

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	Sample testing of five devices marked on the Configuration Management Database (CMDB) as being 'missing', two of which were noted as being 'under investigation', identified that the status of each was known although action was needed in respect of each. Asset details are noted in Appendix C of this report.	The items marked as being missing be retrieved and the database be updated.	2	*Four of the five assets have been located and verified; CMDB updated accordingly. Details of each asset will be recorded in the TIAA portal.* *The fifth asset* NWP24033 *has been identified as a Dell notebook used in a standalone capacity for CCTV viewing.* *NW ICT liaising with the department to ascertain location.* *CGI have since offered the following clarity against a status of "Missing" –* *Items marked as missing are ones that have not connected to the network in over 90 days, and don't have a last known user or location. These devices have been disabled in active directory so that they cannot connect to the network without intervention from the ICT Service Desk.*	*30/06/22*	*Head of ICT Services*

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Directed	A sample of 10 devices selected from the disposal certificates received from the disposal company North Wales Recycle I.T. identified that only three of the 10 devices were noted on the Configuration Management Database (CMDB) as being disposed. Details of the other seven devices are included in Appendix C.	A process be established to ensure the accuracy of the CMDB in relation to disposed assets.	2	*NWP ICT have provided all the certificates for the latest disposals, and as such reflected within the CMDB by CGI.* *CGI are also drawing up an improved process which will be discussed with the NWP ICT who will look to streamline this disposal process.*	*30/06/22*	*Head of ICT Services*

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Delivery	Due to the issues identified within this report it is considered that an overarching process needs to be established for addressing such issues in the longer term and to act as a preventative measure. A discussion with the Deputy ICT Infrastructure Manager and Programme Manager as part of the debrief for the review identified that a more robust process may be established for asset management force-wide to support the ICT Department, which would include input from line management and incorporate the process for managing staff turnover and certain long-term absences (for example maternity leave) when devices need to be returned to the ICT Department. This was discussed with particular reference to Recommendation 3 presented within this report.	A process be established for supporting the ICT Department in retrieving devices when employees leave the organisation or are on long term absence (for example maternity leave).	2	*Consultation between NWP ICT, CGI, NWP BSU and SSF Manager to see how this can be managed more effectively into the future.*	*30/06/22*	*Head of ICT Services*

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Delivery	As advised by the Deputy ICT Infrastructure Manager, CGI manages the asset register for North Wales Police, the aforementioned Configuration Management Database (CMDB). Due to the number of issues identified within this review in relation to discrepancies within the records maintained, it is considered that action is required in terms of providing a long term solution to this end. It was advised by the Deputy ICT Infrastructure Manager and the Programme Manager that this may require greater quality control of data between ICT and all its service providers, covering subcontractors as well as CGI as the main contractor.	An arrangement be established to ensure the accuracy of the asset register as maintained by CGI.	2	*Having discussed such failings with CGI, NWP ICT have considered several options which will they feel offer improvements, and recommend the following which should both minimise and mitigate the risks identified here, as well as improve the accuracy of the CMDB under the Asset and Configuration Management process -* • *90 day alerting process if a device hasn't appeared on the network* • *A monthly exception reporting regime to identify against the above, but also against change in ownership, change in location and in identifying and correcting any duplication of detail* • *Improvement in the Secure Disposal process and its management, and to ensure such is also captured in line with the monthly reporting requirements* • *In Consultation with NWP ICT, CGI, NWP BSU and SSF Manager the leaver process will be reviewed (recommendation 5)* • *An onsite dip-sample Spot-check exercise is proposed for up to 20 assets every quarter, to compare against the contents and accuracy of the CMDB*	*30/06/22*	*Head of ICT Services*

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments	
No Operational Effectiveness Matters were identified.					

JOINT AUDIT COMMITTEE

Title:	Risk Management Report (Open Session)
Author:	Neil T. Ackers, Risk and Business Continuity Lead
Purpose of the report:	To provide the Joint Audit Committee with an update on the organisational risk process and an oversight of the current risks recorded by North Wales Police and the North Wales Police and Crime Commissioner.
The report is provided to JAC for: (tick one)	☐ Decision ☐ Discussion ✓ Assurance ☐ Information

Summary / Key Points:	▪ All risks have been reviewed monthly by the Risk and Business Continuity Lead ensuring they are updated and remain on target. A dated entry is made alongside the review within the embedded risk record 'supporting information document'.
	
	▪ Reminders have been sent to Risk Leads to review and update their ongoing risks and actions either on a monthly or quarterly basis (dependent on the risk type).
	
	▪ Since the previous update all risks on the Force Risk Register have been reviewed in the following meetings with no issues or exceptions having been raised.
	
	    o Senior Management Team Meetings
	    o Senior Leadership Team Meeting
	    o Strategic Management Board
	    o Strategic Executive Board
	    o Strategic Operational Board
	    o Strategic Change and Collaboration Board
	
	▪ A summary of all risks recorded on the Force Risk Register are also reported to the Assurance Board.
	
	▪ A summary of live risks recorded on the Force Risk Register up to and including the 1st July 2022, specifically highlighting:
	
	▪ **New risks added to the Force Risk Register since the last update**
	▪ Risk 91 Loss of money invested on the money market
	▪ Risk 92 REDACTED CLOSED SESSION
	▪ Risk 93 Inadequate financial resources to deliver service plans for period 01/04/2022 to 31/3/2023
	▪ Risk 94 REDACTED CLOSED SESSION

	▪ <mark>Risk 95 REDACTED CLOSED SESSION</mark>
	▪ Risk 96 Excess Demand within the Analysts Unit
	▪ Risk 97 Betsi Cadwaladr University Health Board (BCUHB) Medical Requests
	▪ <mark>Risk 98 REDACTED CLOSED SESSION</mark>
	▪ <mark>Risk 99 REDACTED CLOSED SESSION</mark>
	▪ **Closed risks off the Force Risk Register since the last update**
	▪ Risk 13 Inadequate financial resources to deliver service plans
	▪ Risk 14 Risk of loss of money invested on the money market
	▪ <mark>Risk 66 REDACTED CLOSED SESSION</mark>
	▪ <mark>Risk 70 REDACTED CLOSED SESSION</mark>
	▪ <mark>Risk 87 REDACTED CLOSED SESSION</mark>
	▪ **Risk Changes on Force Risk Register since the last update**
	▪ <mark>Risk 46 REDACTED CLOSED SESSION</mark>
	▪ Risk 57 ESN proves to be an unviable or sub optimal solution
	▪ A summary of the Force Risk Register Risk Actions RAG rating, with no concerns highlighted.
	▪ Force COVID19 Risk Register
	▪ Developments regarding risk management since last report
Recommendations:	None
Risk Register Impact:	This report is based on details recorded on both the Force Risk Register and Covid19 Risk Register
Assurance Implications:	This report is directly relevant to the development of assurance in North Wales Police
Equality Impact:	None
Information Exempt from Disclosure:	Yes (highlighted in yellow)

1. **INTRODUCTION**

The purpose of this report is to provide an update on the organisational risk management process and allow oversight of the status of North Wales Police and Crime Commissioner and North Wales Police risks and is based on information received and recorded by 1st July 2022 on the Force Risk Register version 5.511

Project risks are managed separately within the Portfolio Management Office; however, those that require Force attention are escalated to the Force Risk Register through the agreed process documented in the Risk and Assurance Mapping Framework.

2. **FORCE RISK REGISTER SUMMARY**

We continue to embed our approach to Risk Management across the organisation through regular interaction with the Risk Leads/Owners either monthly or quarterly (dependent on the

risk type). Reminders have been sent to those individuals to review and update ongoing actions to ensure the risk remains on target. In addition to this we continue to conduct a monthly review of all risks and raised any concerns or issues with the Risk Leads and SMT's via their risk highlight reports. Risks are also reported to and reviewed at the Senior Leadership Team Meeting, Strategic Operational Board, Strategic Change and Collaboration Board, Strategic Management Board and Strategic Executive Board with no issues or exceptions having been raised. A summary of all risks recorded on the Force Risk Register are also reported to the Assurance Board.

Table 1: - NWP Risks on the Force Risk Register 21st February 2022 – 1st July 2022

Risk Levels before Controls	Previous NWP Risk Total	Risks Closed in this period	New Risks in this period	NWP Risks currently recorded on Force Risk Register
Critical	7	3	4	8
High	17	2	4	19
Medium	0	0	0	0
*Undefined	0	0	0	0
Total	24	5	8	27

* Undefined are risks which are awaiting completion of the Risk Template by the Risk Lead/Owner

Table 2: - OPCC Risks Force Risk Register 21st February 2022 – 1st July 2022

Risk Levels Before Controls	Previous OPCC Risk Total	Risks Closed in this period	New Risks in this period	OPCC Risks currently recorded on Force Risk Register
Critical	1	0	1	1
High	0	0	1	1
Medium	0	0	0	0
*Undefined	0	0	0	0
Total	1	0	2	2

3.   **NEW RISKS RECORDED ON FORCE RISK REGISTER SINCE LAST REPORT**

Risk 91 Loss of money invested on the money market
This relates to an annual financial risk owned by Finance and Resources SMT and previously recorded on the Force Risk Register under URN 14. Following an annual review of all risks recorded on the Force Risk Register, Finance and Resources SMT on 15/03/22 authorised Risk 14 to be closed and Risk 91 created with refreshed, up-to-date actions and mitigation/controls for the new fiscal year.

There is a risk of the loss of large sums of money invested on the stock market **caused by** the large size of transactions and the risk of any financial institution failing **which may result in** financial institutions not being able to return the investments made.

Prior to control measures this was determined as a CRITICAL STATIC risk. The Present Risk Level is LOW. There are 3 LIVE Actions which are all on track. The Risk Lead is the Assistant Director, Finance and Resources.

Risk 93 Inadequate financial resources to deliver service plans for period 01/04/2022 to 31/3/2023

This is an annual financial risk owned by Finance and Resources SMT and previously recorded on the Force Risk Register under URN 13. Following an annual review of all risks recorded on the Force Risk Register, Finance and Resources SMT on 15/03/22 authorised Risk 13 to be closed and Risk 93 created with refreshed, up-to-date actions and mitigation/controls for the new fiscal year.

There is a risk that financial resources are inadequate for meeting the Force's service delivery needs. This is **caused by** variability and sensitivity in the key elements driving the force's funding and the extent this continues to match up to its resource requirements **which may result in** service plans not being delivered.

Prior to control measures this was determined as a CRITICAL STATIC risk. The Present Risk Level is MEDIUM. There are 2 LIVE Actions which are on track. The Risk Lead is the Assistant Director, Finance and Resources.

Risk 94 -REDACTED CLOSED SESSION

Risk 95 REDACTED CLOSED SESSION

Risk 96 Excess Demand within the Analysts Unit

There is a risk that there is not enough of intelligence analysts to meet the current Force demand **caused by** the increase of proactive capability and the need for analytical support to other critical functions across the Force such as Major Incidents, Serious sexual offences, Serious and Organised Crime Unit **which may result in** staff leaving the organisation due to stress and heavy workloads impacting the ability to meet our Police and Crime Objectives.

Prior to control measures this was determined as a HIGH STATIC risk. The Present Risk Level is HIGH. There are 8 LIVE Actions which are all on track. The Risk Lead is Head of Crime and Intelligence Analysis.

Risk 97 Betsi Cadwaladr University Health Board (BCUHB) Medical Requests

There be a risk that Betsi Cadwaladr UHB has a backlog of processing North Wales Police medical requests **caused by** staff shortages in Betsi Cadwaladr UHB through long term sickness, Covid and vacancies being advertised, **which may lead to** CPS discontinuing cases / CPS authorising lesser charges on North Wales Police Cases.

Prior to control measures this was determined as a HIGH DYNAMIC risk. The Present Risk Level is HIGH. There are 3 LIVE Actions which are all on track. The Risk Lead is Criminal Justice Manager.

Risk 98 REDACTED CLOSED SESSION
Risk 99 REDACTED CLOSED SESSION

4. RISKS CLOSED FROM FORCE RISK REGISTER SINCE LAST REPORT

Risk 13 Inadequate financial resources to deliver service plans

Prior to control measures this was determined as a CRITICAL risk. This annual STATIC risk related to the finance and resources being inadequate to deliver service plans **caused by** £29.6m cuts. Further financial pressures from potential further cuts, review of the policing funding formula, increased pay awards and new demands **may result in** continued pressure on the available resources to meet future demand for the service.

The Present Risk Level was initially determined as HIGH but reduced to MEDIUM on 10/02/21. The Target Risk Level was MEDIUM. This level had been achieved with all actions on the risk completed. The risk for the financial year had been treated. Finance and Resources SMT authorised the risk to be closed and removed from the Force Risk Register on 18/03/22 and a new refreshed risk created for the following financial year under URN 93.

The risk underwent the Assurance Mapping Process (URN 010) on 26/10/21 where it received a Substantial Assurance grading.

Risk 14 Risk of loss of money invested on the money market

Prior to control measures this was determined as a CRITICAL risk. This annual STATIC risk related to the loss of large sums of money invested on the stock market **caused by** the large size of transactions and the risk of any financial institution failing **which may result in** financial institutions not being able to return the investments made.

The Present Risk Level was initially determined as LOW. The Target Risk Level was also LOW. This level had been achieved with all actions on the risk completed. The risk for the financial year had been treated. Finance and Resources SMT authorised the risk to be closed and removed from the Force Risk Register on 18/03/22 and a new refreshed risk created for the following financial year under URN 91.

The risk underwent the Assurance Mapping Process (URN 011) on 26/10/21 where it received a Substantial Assurance grading.

Risk 66 REDACTED CLOSED SESSION
Risk 70 REDACTED CLOSED SESSION
Risk 87 REDACTED CLOSED SESSION

5. RISK CHANGES ON FORCE RISK REGISTER SINCE LAST REPORT

Risk 46 REDACTED CLOSED SESSION

Risk 57 ESN proves to be an unviable or sub optimal solution

The Finance and Resources SMT lowered the Present Risk Level from HIGH to MEDIUM on 27th April 2022.

6.   FORCE RISK REGISTER ACTIONS

Table 3: - Risk Actions RAG Rating

Actions Not on Track	Actions On Track but with Issues	Actions On Track	Completed Actions
0	8	57	67

Risks highlighted with *'Actions On Track but with issues'* relate to Actions that are currently marked as pending or stalled and awaiting decisions on progression.

7.   Force COVID19 Risk Register
There are currently no risks recorded on the Force Covid19 Risk Register.

8.   DEVELOPMENTS REGARDING RISK MANAGEMENT

The Risk and Business Continuity Lead and Head of Business Intelligence attended the ALARM Risk Management Conference held at University of Manchester between 4th and 5th July.

A meeting has been arranged between the Risk and Business Continuity Lead and Joint Audit Committee Risk Lead on 15th July 2022.

The Risk and Business Continuity Lead continues to Chair the monthly All Wales Risk Manager's Group.

The following risks have been selected by TIAA for audit between 6th and 8th July 2022
   ▪ **Risk 94 BMW Engine N57 and B57 issues**
   ▪ **Risk 81 Inability attracting Staff to apply for key roles in NWP**

Risk Management and Assurance Mapping is continuing as business as usual.

9. FORCE RISK REGISTER AS AT 01/07/2022

URN	Risk Title	Risk Levels			Risk Type	Date Risk Raised	Last Review Date	Risk Actions Progress				
		Before Controls	Present	Target				Outstanding Actions	Completed Actions	On Track	On Track with Issues	Not on Track
3	RMS Legacy Database	High	Medium	Low	Static	10/08/16	25/04/22	1	1	1		
10	REDACTED CLOSED SESSION	High	Medium	Low	Static	11/03/16	22/04/22	1	7	1		
11	REDACTED CLOSED SESSION	High	Low	Negligible	Static	03/07/17	08/04/22	1	9	1		
13	Inadequate financial resources to deliver service plans	Critical	Medium	Medium	Static	23/11/16	16/02/22	0	8	n/a		
14	Risk of loss of money invested on the money market	Critical	Low	Low	Static	15/03/17	16/02/22	1	5	1		
46	REDACTED CLOSED SESSION	High	Medium	Medium	Static	03/02/20	13/06/22	2	0	2		
54	REDACTED CLOSED SESSION	High	Medium	Low	Dynamic	29/04/20	31/05/22	2	0	2		
57	ESN proves to be an unviable or sub optimal solution	High	Medium	Low	Static	13/05/20	13/06/22	2	0	2		
60	REDACTED CLOSED SESSION	High	Medium	Medium	Static	19/05/20	20/06/22	1	3	1		
67	REDACTED CLOSED SESSION	High	Low	Low	Dynamic	19/08/20	22/06/22	1	2	1		
71	Pensions	High	High	Medium	Static	20/01/21	24/06/21	1	3	1		
73	REDACTED CLOSED SESSION	Critical	Medium	Low	Dynamic	01/03/21	07/06/22	1	0	1		
74	REDACTED CLOSED SESSION	Critical	Medium	Medium	Dynamic	04/06/21	28/06/22	3	12	3		
78	Unsupported Windows 10 Operating System	High	Medium	Medium	Dynamic	08/04/21	18/05/22	1	1	1		
79	Mandatory Refresher Training	High	Medium	Low	Dynamic	18/06/20	14/06/22	1	1	1		
81	Inability attracting Staff to apply for key roles in NWP	Critical	High	Medium	Dynamic	08/09/21	13/06/22	3	2	3		
82	ICT Supply Chain Issues	High	High	Medium	Static	10/09/21	26/05/22	1	2	1		
85	REDACTED CLOSED SESSION	Critical	High	Medium	Dynamic	29/11/21	27/04/22	1	0	1		
86	Disclosure Unit Backlogs	High	Medium	Medium	Static	09/11/21	21/06/22	1	2	1		
88	REDACTED CLOSED SESSION	High	High	Low	Dynamic	01/02/22	28/06/22	3	1	3		
89	Adequacy of financial resources (OPCC)	Critical	High	Medium	Static	09/02/22	25/05/22	3	0	3		
90	REDACTED CLOSED SESSION	High	Medium	Low	Dynamic	09/02/22	24/06/22	1	0	1		
91	Loss of money invested on the money market	Critical	Low	Low	Static	16/02/22	24/06/22	3	0	3		
92	REDACTED CLOSED SESSION	Critical	Critical	High	Dynamic	14/02/22	25/05/22	4	0	4		
93	Inadequate financial resources to deliver service plans for period 01/04/2022 to 31/3/2023	Critical	Medium	Medium	Static	15/03/22	21/03/22	2	0	2		
94	BMW Engine N57 and B57 issues	High	Medium	Negligible	Dynamic	22/02/22	13/06/22	4	4	4		
95	REDACTED CLOSED SESSION	High	High	Medium	Static	05/04/22	05/04/22	4	0	2	2	
96	Excess Demand within the Analysts Unit	High	High	Medium	Static	12/04/22	06/05/22	8	0	8		
97	Betsi Cadwaladr UHB Medical Requests	High	High	Medium	Dynamic	14/04/22	24/06/22	3	0	2	1	
98	REDACTED CLOSED SESSION	Critical	Critical	Medium	Dynamic	19/05/22	28/06/22	6	4	1	2	
99	REDACTED CLOSED SESSION	High	High	Low	Dynamic	13/06/22	20/06/22	4	0	1	3	

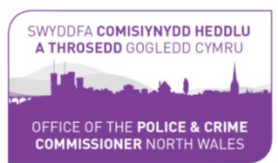**10. FORCE COVID19 RISK REGISTER AS AT 01/07/22**

There are no LIVE Covid19 risks recorded on the Force Covid19 Risk Register.

Joint Audit Committee

Meeting Date: 28 July 2022

Title;	Proposed Work Programme
Author:	Chief Finance Officer
Purpose of the report:	To agree the work programme
The report is provided to JAC for: (tick one)	☐ X Decision ☐ Discussion ☐ Assurance ☐ Information

Summary / Key Points:	• ensures that the Committee is able to fulfil its duties in line with statutory deadlines, and that all of the Committee's responsibilities are discharged during the course of each year
	• we have listened to feedback from the Joint Audit Committee, and have added the following items to be brought to future meetings:
	   o information management and compliance
	   o provision of internal audit service

Recommendations:	• For members of the Committee to note which items are subject to a statutory deadline, and therefore the meetings have been arranged to fulfil those requirements. • For members of the Committee to consider additional content which might be presented at future meetings. • For the future work programme to be brought to each meeting, outlining the work for the forthcoming twelve months on a rolling basis.
Risk register impact:	One of the purposes of the Committee is to provide assurance to the Police and Crime Commissioner and the Chief Constable that financial and non-financial risks are being managed effectively.
Assurance implications:	The purpose of Joint Audit Committee is to provide assurance to the Police and Crime Commissioner and the Chief Constable, in line with the Terms of Reference. The work programme helps to ensure that all relevant areas are presented to the Committee.
Equality Impact:	Equalities legislation was taken into account when recruiting the independent members of the Joint Audit Committee. There is a Joint Equalities' Scheme in place.
Information exempt from disclosure:	None.

JOINT AUDIT COMMITTEE

28 July 2022

PROPOSED WORK PROGRAMME

Report by the Chief Finance Officer

1.   INTRODUCTION

1.2   The Joint Audit Committee has been provided with a programme of work annually during the July meeting. This ensures that the Committee is able to fulfil its duties in line with statutory deadlines, and that all of the Committee's responsibilities are discharged during the course of each year.

1.3   In addition, items to be presented to the Joint Audit Committee are identified by various means – by officers, staff or the Committee members. These have been added to the work programme on a less formal basis, and are added to the agenda as appropriate.

1.4   Policing is an ever-changing environment. While it remains vital that the Joint Audit Committee carry out certain tasks by key dates, presenting the work programme only once each year is inflexible, and does not document sufficiently when newly-identified items are to be presented to the committee. Therefore, at the meeting held on 9 March 2020, the Committee proposed that the work programme be discussed at the end of each meeting.

1.5   This report, therefore, includes the proposed work plan for the next twelve months. Where the meeting date has not yet been finalised, the month of the meeting is shown for guidance.

2.   RECOMMENDATIONS

2.1   For members of the Committee to note which items are subject to a statutory deadline, and therefore the meetings have been arranged to fulfil those requirements.

2.2   For members of the Committee to consider additional content which might be presented at future meetings.

2.3   For the future work programme to be brought to each meeting, outlining the work for the forthcoming twelve months on a rolling basis.

3.   WORK PROGRAMME

3.1   With the exception of items timetabled the meet statutory deadlines, the work programme is flexible; therefore, additional items may be added should a need arise.

3.2   There are a number of standing agenda items currently scheduled for each meeting. These will remain on the JAC agenda until further notice:

Date of Meeting	Work Programme 2022/23
All (Until Further Notice)	• Business Update • HMICFRS Update (incorporated to above unless significant) • Internal Audit Update • Risk Update • Work Programme

The work programme asides from the standing agenda items outlined above are as follows:

Date of Meeting	Work Programme 2022/23
6 October 2022	• ISA 260 and signing of accounts **unlikely** *to be signed by 31 July 2022* • Governance Update • HMICFRS Value for Money Profiles • Risk deep dive: Non Compliance with Data Protection Act
October 2022	• All Wales JAC informal meeting
8 December 2022	• Audit Wales – Value for Money and Annual Audit Report (Management Letter) • Risk deep dive/Briefing session: TBC • Governance update • Ethics update • Capital Programme - Update • Treasury Management Performance • Legal report
March 2023	• Capital Strategy (including the Treasury Management Strategy) *to be approved before 1 April 2023* • Governance update – including draft AGS; Audit Wales – annual plan • Risk deep dive/Briefing session: TBC • JAC Annual Report - draft report and discussion
June 2023	• Accounts Technical Briefing
July 2023	• ISA 260 and signing of accounts *to be signed by 31 July 2023* • Force Management Statement • Self-assessment and Annual report of JAC – final report • Risk Strategy & Risk Appetite Statement – Annual Review • Risk deep dive/Briefing Session: TBC • Capital programme (outturn and forward look) • Treasury Management Performance • Legal report
October 2023	• Governance Update • HMICFRS Value for Money Profiles • Risk deep dive/Briefing Session: TBC

December 2023	• Audit Wales – Value for Money and Annual Audit Report (Management Letter) • Risk deep dive/Briefing Session: TBC • Governance update • Ethics update • Capital Programme - Update • Treasury Management Performance • Legal report

Provisional Risk Deep Dive Programme / Briefing Sessions / Other areas of potential scrutiny	• Collaboration • SSF/SWAN/VAWG • PL claims – Officer training and CPD (e.g. when rules change) • Ethics board – updates on how feedback from ethics board feeds through to organisational learning • Sustainability • Agile working impact • How police officers manage risks • Robotics/Artificial Intelligence
Prior Risk Deep Dives to reference in Periodic Risk Report	• Command & Control • ICT Sourcing Strategy • Cyber • Digital Transformation (NEP) •
Other items to be discussed with JAC	Provision of internal audit services Roll-out of IT Programme (monthly, outside of meetings) Meeting between Joint Audit Committee and Audit Wales Meeting between Joint Audit Committee and Internal Audit

4. IMPLICATIONS

4.1	Equality	Equalities legislation was taken into account when recruiting the independent members of the Joint Audit Committee. There is a Joint Equalities' Scheme in place.
4.2	Financial	Planning the work for the forthcoming year reduces the need for ad-hoc meetings.
4.3	Legal	Legislation requires that a Joint Audit Committee be established. The functions of the Joint Audit Committee are summarised within its Terms of Reference, which has been prepared in accordance with *Audit Committees\Practical Guidance for local Authorities and Police - 2018 Edition (CIPFA)*. This work programme takes account of the statutory and practical requirements to fulfil these obligations.
4.4	Community	Meeting papers and minutes are published, and the meetings are open for the public to attend.

| 4.5 | Risk | One of the purposes of the Committee is to provide assurance to the Police and Crime Commissioner and the Chief Constable that financial and non-financial risks are being managed effectively. |
| 4 .6 | Police and Crime Plan | The role of the Joint Audit Committee is part of the overall Police and Crime Plan. |

Report Author:

Kate Jackson
Chief Finance Officer, Office of the Police and Crime Commissioner

Joint Audit Committee

Meeting Date: 28th July 2022

Title:	**Treasury Management Outturn Report 2021-22**
Author:	**Chief Finance Officer**
Purpose of the report:	**To report on the performance of the treasury management function**
The report is provided to JAC for: (tick one)	☐ Decision ☐ Discussion ☐ **Assurance** ☐ Information
Summary / Key Points:	• The CIPFA's Treasury Management (TM) in the Public Services' Code of practice requires a report on performance of the TM function to be considered at least twice a year. • It contains a summary of TM activity undertaken during 2021-22. • It deals with the investment of surplus cash and any borrowing requirements. • It highlights whether or not any limits or indicators were breached. During 2021-22 no statutory indicators were breached.
Recommendations:	The report is submitted to the Joint Audit Committee for information and comment, and to provide further assurance to the Police and Crime Commissioner.
Risk register impact:	No impact – the arrangements are designed to manage the risk from investing and borrowing.
Assurance implications:	The report sets out the performance against agreed rules and limits for investing and borrowing money per the TM Strategy in place for 2021-22.
Equality Impact:	No impact.
Information exempt from disclosure:	No exempt information.

Treasury Management Outturn Report 2021/22

1. Introduction

The Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) requires the Police and Crime Commissioner to approve treasury management semi-annual and annual reports.

The Police and Crime Commissioner's Capital Strategy, which includes the Treasury Management Strategy for 2021/22, was scrutinised at the Joint Audit Committee on 30th March 2021, and approved by a Decision Notice dated 31st March 2021. The Police and Crime Commissioner has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Police and Crime Commissioner's treasury management strategy.

Treasury risk management at the Police and Crime Commissioner is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Police and Crime Commissioner to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report.

The Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by the Police and Crime Commissioner covering capital expenditure and financing, treasury management and non-treasury investments.

2. External Context

Economic background: The continuing economic recovery from coronavirus pandemic, together with the war in Ukraine, higher inflation, and higher interest rates were major issues over the period.

Bank Rate was 0.1% at the beginning of the reporting period. April and May saw the economy gathering momentum as the shackles of the pandemic restrictions were eased. Despite the improving outlook, market expectations were that the Bank of England would delay rate rises until 2022. Rising, persistent inflation changed that.

UK CPI was 0.7% in March 2021 but thereafter began to steadily increase. Initially driven by energy price effects and by inflation in sectors such as retail and hospitality which were re-opening after the pandemic lockdowns, inflation then was believed to be temporary. Thereafter price rises slowly became more widespread, as a combination of rising global costs and strong demand was exacerbated by supply shortages and transport dislocations. The surge in wholesale gas and electricity prices led to elevated inflation expectations. CPI for February 2022 registered 6.2% year on year, up from 5.5% in the previous month and the highest reading in the National Statistic series. Core inflation, which excludes the more volatile components, rose to 5.2% y/y from 4.4%.

The government's jobs furlough scheme insulated the labour market from the worst effects of the pandemic. The labour market began to tighten and demand for workers grew strongly as employers found it increasingly difficult to find workers to fill vacant jobs. Having peaked at 5.2% in December

2020, unemployment continued to fall and the most recent labour market data for the three months to January 2022 showed the unemployment rate at 3.9% while the employment rate rose to 75.6%. Headline 3-month average annual growth rate for wages were 4.8% for total pay and 3.8% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 0.1% while regular pay fell by 1.0%.

With the fading of lockdown – and, briefly, the 'pingdemic' – restraints, activity in consumer-facing sectors improved substantially as did sectors such as oil and mining with the reopening of oil rigs but materials shortages and the reduction in the real spending power of households and businesses dampened some of the growth momentum. Gross domestic product (GDP) grew by an upwardly revised 1.3% in the fourth calendar quarter of 2021 according to the final estimate (initial estimate 1.0%) and took UK GDP to just 0.1% below where it was before the pandemic. The annual growth rate was revised down slightly to 7.4% (from 7.5%) following a revised 9.3% fall in 2020.

Having increased Bank Rate from 0.10% to 0.25% in December, the Bank of England hiked it further to 0.50% in February and 0.75% in March. At the meeting in February, the Monetary Policy Committee (MPC) voted unanimously to start reducing the stock of its asset purchase scheme by ceasing to reinvest the proceeds from maturing bonds as well as starting a programme of selling its corporate bonds.

In its March interest rate announcement, the MPC noted that the invasion of Ukraine had caused further large increases in energy and other commodity prices, with the expectation that the conflict will worsen supply chain disruptions around the world and push CPI inflation to around 8% later in 2022, even higher than forecast only a month before in the February Monetary Policy Report. The Committee also noted that although GDP in January was stronger than expected with business confidence holding up and the labour market remaining robust, consumer confidence had fallen due to the squeeze in real household incomes.

GDP growth in the euro zone increased by 0.3% in calendar Q4 2021 following a gain of 2.3% in the third quarter and 2.2% in the second. Headline inflation remains high, with CPI registering a record 7.5% year-on-year in March, the ninth successive month of rising inflation. Core CPI inflation was 3.0% y/y in March, was well above the European Central Bank's target of 'below, but close to 2%', putting further pressure on its long-term stance of holding its main interest rate of 0%.

The US economy expanded at a downwardly revised annualised rate of 6.9% in Q4 2021, a sharp in increase from a gain of 2.3% in the previous quarter. In its March 2022 interest rate announcement, the Federal Reserve raised the Fed Funds rate to between 0.25% and 0.50% and outlined further increases should be expected in the coming months. The Fed also repeated it plan to reduce its asset purchase programme which could start by May 2022.

Financial markets: The conflict in Ukraine added further volatility to the already uncertain inflation and interest rate outlook over the period. The Dow Jones started to decline in January but remained above its pre-pandemic level by the end of the period while the FTSE 250 and FTSE 100 also fell and ended the quarter below their pre-March 2020 levels.

Bond yields were similarly volatile as the tension between higher inflation and flight to quality from the war pushed and pulled yields, but with a general upward trend from higher interest rates dominating as yields generally climbed.

The 5-year UK benchmark gilt yield began the quarter at 0.82% before rising to 1.41%. Over the same period the 10-year gilt yield rose from 0.97% to 1.61% and the 20-year yield from 1.20% to 1.82%.

The Sterling Overnight Rate (SONIA) averaged 0.39% over the quarter.

Credit review: In the first half of FY 2021-22 credit default swap (CDS) spreads were flat over most of period and are broadly in line with their pre-pandemic levels. In September spreads rose by a few basis points due to concerns around Chinese property developer Evergrande defaulting but then fell back. Fitch and Moody's revised upward the outlook on a number of UK banks and building societies on the Police and Crime Commissioner's counterparty to 'stable', recognising their improved capital positions compared to 2020 and better economic growth prospects in the UK.

Fitch also revised the outlook for Nordea, Svenska Handelsbanken and Handelsbanken plc to stable. The agency considered the improved economic prospects in the Nordic region to have reduced the baseline downside risks it previously assigned to the lenders.

The successful vaccine rollout programme was credit positive for the financial services sector in general and the improved economic outlook meant some institutions were able to reduce provisions for bad loans. However, in 2022, the uncertainty engendered by Russia's invasion of Ukraine pushed CDS prices modestly higher over the first calendar quarter, but only to levels slightly above their 2021 averages, illustrating the general resilience of the banking sector.

Having completed its full review of its credit advice on unsecured deposits, in September Arlingclose extended the maximum duration limit for UK bank entities on its recommended lending list from 35 days to 100 days; a similar extension was advised in December for the non-UK banks on this list. As ever, the institutions and durations on the Police and Crime Commissioner's counterparty list recommended by Arlingclose remains under constant review.

Revised CIPFA Codes, Updated PWLB Lending Facility Guidance

In August 2021 HM Treasury significantly revised guidance for the PWLB lending facility with more detail and 12 examples of permitted and prohibited use of PWLB loans. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management.

CIPFA published its revised Prudential Code for Capital Finance and Treasury Management Code on 20th December 2021. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments.

The principles of the Prudential Code took immediate effect although local authorities could defer introducing the revised reporting requirements until the 2023/24 financial year if they wish.

To comply with the Prudential Code, authorities must not borrow to invest primarily for financial return. This Code also states that it is not prudent for local authorities (in our case, the Police and Crime Commissioner) to make investment or spending decision that will increase the CFR unless directly and primarily related to the functions of the Police and Crime Commissioner. Existing commercial investments are not required to be sold; however, authorities with existing commercial investments who expect to need to borrow should review the options for exiting these investments.

Borrowing is permitted for cashflow management, interest rate risk management, to refinance current borrowing and to adjust levels of internal borrowing. Borrowing to refinance capital expenditure primarily related to the delivery of a local Police and Crime Commissioner's function but where a financial return is also expected is allowed, provided that financial return is not the primary reason for the expenditure. The changes align the CIPFA Prudential Code with the PWLB lending rules.

Unlike the Prudential Code, there is no mention of the date of initial application in the Treasury Management Code. The TM Code now includes extensive additional requirements for service and commercial investments, far beyond those in the 2017 version.

The Police and Crime Commissioner will follow the same process as the Prudential Code, i.e. delaying changes in reporting requirements to the 2023/24 financial year.

3.   **Local Context**

On 31st March 2021, the Police and Crime Commissioner had net investments of £30.1m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.22 Actual £m	2021-22 Benchmark £m
General Fund CFR	28.0	35.1
Less: *Other debt liabilities	(8.2)	(8.2)
Borrowing CFR	**19.8**	**26.9**
Less: External borrowing	(8.9)	# (11.9)
Internal borrowing	**10.9**	**15.0**
Less: Usable reserves	(41.6)	(25.2)
Plus: Working capital	0.6	0.2
Total investments	**(30.1)**	# **(10.0)**

* finance leases, PFI liabilities and transferred debt that form part of the Police and Crime Commissioner's total debt
Source: Capital Strategy Report 2021-22 (various tables)
to maintain minimum investment benchmark of £10m

Lower official interest rates have lowered the cost of short-term, temporary loans and investment returns from cash assets that can be used in lieu of borrowing. The Police and Crime Commissioner pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

The treasury management position at 31st March 2022 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.21 Balance £m	Movement £m	31.3.22 Balance £m	31.3.22 Weighted Average Rate %	2021-22 Benchmark £m
Long-term borrowing	9.4	(0.5)	8.9	1.25	-
Short-term borrowing	0.0	(0.0)	0.0	-	-
Total borrowing	**9.4**	**(0.5)**	**8.9**	-	**# 11.9**
Long-term investments	0	0	0	-	-
Short-term investments	(6.0)	(13.8)	(19.8)	0.30	-
Cash and cash equivalents	(15.9)	5.6	(10.3)	0.05	-
Total investments	**(21.9)**	**(8.2)**	**(30.1)**	-	**# (10.0)**
Net borrowing / (investments)	**(12.5)**	**(8.7)**	**(21.2)**	-	**1.9**

to maintain minimum investment benchmark of £10m

As a result of the impact of COVID and other reasons, the Capital Programme expenditure during 2021-22 was less than budgeted. This, as well as an increase in revenue reserves and capital receipt reserves, has resulted in a temporary rise in the level of useable reserves. This consequently reduced the need to borrow.

Borrowing Update

The Police and Crime Commissioner was not planning to borrow to invest primarily for commercial return and so is unaffected by the changes to the Prudential Code.

4.   **Borrowing strategy**

At 31st March 2022 the Police and Crime Commissioner held £8.9m of loans, (a decrease of £0.5m from 31st March 2021), as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 31st March are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.21 Balance £m	Net Movement £m	31.3.22 Balance £m	31.3.22 Weighted Average Rate %
Public Works Loan Board	9.4	(0.5)	8.9	1.25
Local authorities (short-term)	0.0	(0.0)	0.0	-
Total borrowing	**9.4**	**(0.5)**	**8.9**	-

The Police and Crime Commissioner's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Police and Crime Commissioner's long-term plans change being a secondary objective. The Police and Crime Commissioner's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short- and long-term borrowing is still considered prudent.

In keeping with these objectives, no new borrowing was undertaken. This strategy enabled the Police and Crime Commissioner to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

With short-term interest rates remaining much lower than long-term rates, the Police and Crime Commissioner considered it more cost effective in the near term to use internal resources or borrowed rolling temporary / short-term loans instead should the need arise. However PWLB funding margins have lurched quite substantially and there remains a strong argument for diversifying funding sources, particularly if rates can be achieved on alternatives which are below gilt yields + 0.80%. The Police and Crime Commissioner will evaluate and pursue these lower cost solutions and opportunities with its advisor Arlingclose.

During 2019-20 the Police and Crime Commissioner borrowed £10m longer-term fixed rate loans, details of which are below. These loans continue to provide some longer-term certainty and stability to the debt portfolio.

Long-dated Loans borrowed	Amount £m	Rate %	Period (Years)
PWLB EIP Loan 1 (20/08/2019)	5.0	1.25	20
PWLB EIP Loan 2 (07/10/2019)	5.0	1.25	20
Total borrowing	**10.0**	**1.25**	**20**

5. **Other Debt Activity**

After £0.9m repayment of prior years' Private Finance Initiative liabilities, total debt other than borrowing stood at £8.2m on 31st March 2022, taking total debt to £17.1m.

6. **Treasury Investment Activity**

CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20th December 2021. These define treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

The Police and Crime Commissioner holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Police and Crime Commissioner's investment balances ranged between £14.9m and £47.0m million due to timing differences between income and expenditure, with the average daily balance for the year being £32.4m). A graph of the daily investment balance and the investment position over the last financial year are shown in graph 1 and table 4 below.

Graph 1: Daily investment balance (2021-22)
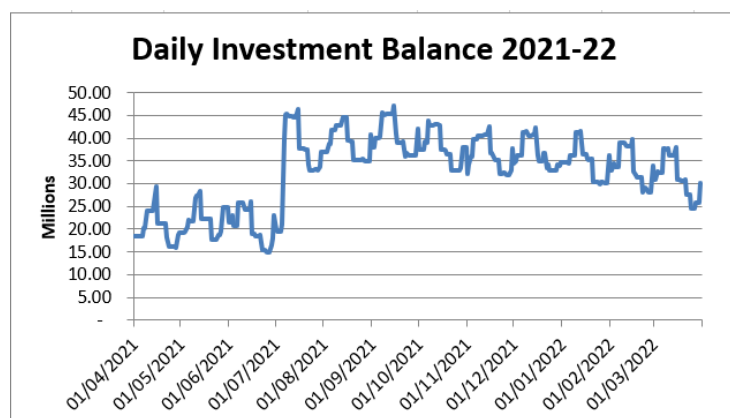
Table 4: Treasury Investment Position

	31.3.21 Balance £m	Net Movement £m	31.3.22 Balance £m	31.3.22 Income Return %	31.3.22 Weighted Average Maturity days
Banks & building societies (unsecured) – including 31-day notice account with HSBC	15.9	(5.6)	10.3	0.05%	0.34
Government (incl. local authorities)	6.0	13.8	19.8	0.30%	15.03
Total investments	**21.9**	**8.2**	**30.1**	**0.35%**	**15.37**

Both the CIPFA Code and government guidance require the Police and Crime Commissioner to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Police and Crime Commissioner's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Deposit rates with the Debt Management Account Deposit Facility (DMADF) initially remained very low with rates ranging from 0% to 0.1%, but following the hikes to policy rates increased to between 0.55% and 0.85% depending on the deposit maturity. The average return on the Police and Crime Commissioner's DMADF deposits was 0.30%.

The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
31.03.2021	4.45	AA-	74%	5	0.02%
31.03.2022	3.45	AA	34%	15	0.35%
Similar LAs	**4.36**	**AA-**	**72%**	**18**	**0.75%**
All LAs	**4.39**	**AA-**	**60%**	**14**	**0.97%**

The Police and Crime Commissioner had budgeted £100,000 income from these investments in 2021/22. Income received was £8,000, whilst a further £8,000 has been declared and is due to be paid by April/May.

7. Non-Treasury Investments

The definition of investments in CIPFA's revised 2021 Treasury Management Code covers all the financial assets of the Police and Crime Commissioner as well as other non-financial assets which the Police and Crime Commissioner holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return). Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government also broadens the definition of investments to include all such assets held partially or wholly for financial return.

The Police and Crime Commissioner didn't hold any non-treasury investments in 2021-22.

8. Compliance

The Chief Finance Officer reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Police and Crime Commissioner's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 8 below.

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 7 below.

Table 7: Debt Limits

	2021/22 Maximum	31.3.22 Actual	2021/22 Operational Boundary	2021/22 Authorised Limit	Complied? Yes/No
Borrowing	£9.4m	£8.9m	£25.9m	£27.9m	Yes
PFI and Finance Leases	£8.2m	£8.2m	£8.2m	£8.2m	Yes
Total debt	**£17.6m**	**£17.1m**	**£34.1m**	**£36.1m**	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Table 8: Investment Limits

	2021/22 Maximum	31.3.22 Actual	2021/22 Limit	Complied? Yes/No
Any single organisation, except the UK Government	£4.0m	£4.0m	£7.0m	Yes
HSBC (being the Commissioner's bankers)	£9.8m	£5.4m	£10.0m	Yes

Treasury Management Indicators

The Police and Crime Commissioner measures and manages its exposures to treasury management risks using the following indicators.

Security: The Police and Crime Commissioner has adopted a voluntary measure of its exposure to credit risk by monitoring the average credit rating of its investment portfolio.

	31.3.22 Actual	2021/22 Minimum criteria	Complied?
Portfolio average credit rating	AA	A-	Yes

Liquidity: The Police and Crime Commissioner has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling twelve-month period. For practical purposes a lower operational limit of £7.5 million for a maximum of 14 days was set to avoid unnecessary short-term borrowing.

	2021/22 Minimum	31.3.22 Actual	2021/22 Target	Complied?
Minimum cash available overnight	-	£16.1m	£10m	Yes
Lower limit for a maximum of 14 days	£7.7m*	-	£7.5m	Yes

a balance of £7.7m was held for a few days prior to the year-end (from 25/3/22 to 30/3/22), as the monthly precept payments of £5.0m was expected and received on the 31st March 2022.

Maturity Structure of Borrowing: This indicator is set to control the Police and Crime Commissioner's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	31.3.22 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	100%	100%	0%	Yes
12 months and within 24 months	0%	100%	0%	Yes
24 months and within 5 years	0%	100%	0%	Yes
5 years and within 10 years	0%	100%	0%	Yes
10 years and above	0%	100%	0%	Yes

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than a year: The purpose of this indicator is to control the Police and Crime Commissioner's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2021/22	2022/23	2023/24
Actual principal invested beyond year end	£0m	£0m	£0m
Limit on principal invested beyond year end	£5m	£5m	£5m
Complied?	Yes	Yes	Yes

9. **Other**

IFRS 16: The implementation of the new IFRS 16 Leases accounting standard was due to come into force for local authorities from 1st April 2022. Following a consultation CIFPA/LASAAC announced an optional two-year delay to the implementation of this standard a decision which was confirmed by the Financial Reporting Advisory Board in early April 2022. Authorities can now choose to adopt the new standard on 1st April 2022, 1st April 2023 or 1st April 2024. The Police and Crime Commissioner intends to adopt the new standard on 1st April 2024.

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Joint Audit Committee

Meeting Date: 28 July 2022

Title:	Audit Enquiries Letter
Author:	Kate Jackson
Purpose of the report:	To inform the Joint Audit Committee of the OPCC's and Force's responses to the audit enquiries letter from Audit Wales
The report is provided to JAC for: (tick one)	☐ Decision ☐ Discussion ☐ Assurance X Information
Summary / Key Points:	• Every year Audit Wales sends an audit enquiries letter to the OPCC and Force, asking for information about governance and related matters • The letter includes last year's responses, so that changes can be seen.
Recommendations:	For members of the Joint Audit Committee to note that the audit enquiries letter has been completed, and to note its contents.
Risk register impact:	None
Assurance implications:	The response to the audit enquiries letter helps Audit Wales in their assessment of the governance arrangements of the two corporations sole.
Equality Impact:	None
Information exempt from disclosure:	None

Appendix 1

Matters in relation to fraud

International Standard for Auditing (UK and Ireland) 240 covers auditors responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both management and 'those charged with governance'. Management, with the oversight of the 'those charged with governance', should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by those charged with governance.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- the intentional misappropriation of assets (cash, property, etc); or
- the intentional manipulation or misstatement of the financial statements.

We also need to understand how 'those charged with governance' exercises oversight of management's processes. We are also required to make enquiries of both management and 'those charged with governance' as to their knowledge of any actual, suspected or alleged fraud and to understand the processes for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

Enquiries of management - in relation to fraud		
Question	**2020-21 Response**	**2021-22 Response**
1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud and what are the principal reasons?	The Police and Crime Commissioner and Chief Constable have an Anti-Fraud and Corruption policy and whistleblowing arrangements in place which manage effectively the risk of fraud and corruption. Processes for declaring interest and registers for gifts and hospitalities are maintained and updated as required. Both the Joint Audit Committee and the Police and Crime Panel discharged fully all the functions as identified in the relevant CIPFA publication for Audit Committees.	The Police and Crime Commissioner and Chief Constable have an Anti-Fraud and Corruption policy and whistleblowing arrangements in place which manage effectively the risk of fraud and corruption. Processes for declaring interest and registers for gifts and hospitalities are maintained and updated as required. Both the Joint Audit Committee and the Police and Crime Panel discharged fully all the functions as identified in the relevant CIPFA publication for Audit Committees.
2. What processes are employed to identify and respond to the risks of fraud more generally and specific risks of misstatement in the financial statements?	From our Governance framework: Measure: anti-fraud and corruption policies which are up to date and working effectively Controls: Lesson Learned; MOU between IA, CFO's and PSD; Safecall; PSD; IOPC; PCP; TIAA fraud alerts. Measure: co-operation with the National Fraud Initiative	From our Governance framework: Measure: anti-fraud and corruption policies which are up to date and working effectively Controls: Lesson Learned; MOU between IA, CFO's and PSD; Safecall; PSD; IOPC; PCP; TIAA fraud alerts. Measure: co-operation with the National Fraud Initiative

Enquiries of management - in relation to fraud		
Question	**2020-21 Response**	**2021-22 Response**
	Controls: we participate in the NFI exercises and these are externally validated by AW; effective anti-fraud and corruption policies and procedures; procedures devised to minimise risk of fraud and error and/or to assist detection; IA; PSD Measure: compliance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014)	Controls: we participate in the NFI exercises and these are externally validated by AW; effective anti-fraud and corruption policies and procedures; procedures devised to minimise risk of fraud and error and/or to assist detection; IA; PSD Measure: compliance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014)
3. What arrangements are in place to report fraud issues and risks to the audited body?	From our Governance framework: Measure: anti-fraud and corruption policies which are up to date and working effectively Controls: Lesson Learned; MOU between IA, CFO's and PSD; Safecall; PSD; IOPC; PCP; TIAA fraud alerts.	From our Governance framework: Measure: anti-fraud and corruption policies which are up to date and working effectively Controls: Lesson Learned; MOU between IA, CFO's and PSD; Safecall; PSD; IOPC; PCP; TIAA fraud alerts and Client Briefing Notes. These are shared with staff and officers if relevant
4. How has management communicated expectations of ethical governance and standards of	From our Governance framework: Measure: Ensuring that the PCC, chief officers and staff behave with integrity	From our Governance framework: Measure: Ensuring that the PCC, chief officers and staff behave with integrity

Enquiries of management - in relation to fraud		
Question	**2020-21 Response**	**2021-22 Response**
conduct and behaviour to all relevant parties, and when?	and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby promoting and upholding the reputation of the organisation among its stakeholders. Controls: Ethics Committee; staff support networks; CC held leadership seminar and staff roadshows online; CC and chief officers visit sites regularly to engage with staff and officers (subject to Covid regulations); Senior Management NPCC meetings and SMT's; health & wellbeing agenda emphasised; PCC via Panel; Staff surveys; Force via PCC & Staff Associations. Measure: Ensuring the PCC and chief officers lead in establishing specific standard operating principles or values for their organisations and staff and that they are communicated and understood. The values should build on the Nolan Principles and the Code of Ethics.	and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby promoting and upholding the reputation of the organisation among its stakeholders. Controls: Ethics Committee; staff support networks; CC held leadership seminar and staff roadshows online; CC and chief officers visit sites regularly to engage with staff and officers (subject to Covid regulations); Senior Management NPCC meetings and SMT's; health & wellbeing agenda emphasised; PCC via Panel; Staff surveys; Force via PCC & Staff Associations. Measure: Ensuring the PCC and chief officers lead in establishing specific standard operating principles or values for their organisations and staff and that they are communicated and understood. The values should build on the Nolan Principles and the Code of Ethics.

Enquiries of management - in relation to fraud		
Question	**2020-21 Response**	**2021-22 Response**
	Controls: PSD (ACU Anti Corruption Unit) part of induction process; enhanced vetting programme; mandatory training such as data protection carried out annually; Codes of Conduct (OPCC); Code of Ethics; Published Values (Force). Information standards & compliance carry out audits on data protection, information security and monitoring (systems and information). Joint Audit Committee to abide by Nolan Principles. Internal Audit Publication schemes; FOI; HMICFRS (Force); APP Measures; Leading by example and using above standard operating principles or values as a framework for decision making and other actions; Governance review undertaken 2019-20 and recommendations implemented 2020-21; Decision making policy.	Controls: PSD (ACU Anti Corruption Unit) part of induction process; enhanced vetting programme; mandatory training such as data protection carried out annually; Codes of Conduct (OPCC); Code of Ethics; Published Values (Force). Information standards & compliance carry out audits on data protection, information security and monitoring (systems and information). Joint Audit Committee to abide by Nolan Principles. Internal Audit Publication schemes; FOI; HMICFRS (Force); APP Measures; Leading by example and using above standard operating principles or values as a framework for decision making and other actions; the manual of governance was updated to reflect changes made since the major review (undertaken 2019-20 and implemented 2020-21); Decision making policy.

Enquiries of management - in relation to fraud		
Question	**2020-21 Response**	**2021-22 Response**
	Measure: Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure they are operating effectively. Controls: APPs Policy library National decision making protocol; internal policies reviewed regularly by Assurance Board and updated when necessary. Measure: The Code of Ethics express purpose in underpinning organisational culture. Controls: code of conduct staff and elected members; code of ethics, misconduct regs for force and awareness of the appraisal process in place. Measure: Standards of professional behaviour	Measure: Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure they are operating effectively. Controls: APPs Policy library National decision making protocol; internal policies reviewed regularly by Assurance Board and updated when necessary. Measure: The Code of Ethics express purpose in underpinning organisational culture. Controls: code of conduct staff and elected members; code of ethics, misconduct regs for force and awareness of the appraisal process in place. Measure: Standards of professional behaviour

Enquiries of management - in relation to fraud

Question	2020-21 Response	2021-22 Response
	Controls: Code of ethics (CC); Professional ethics (DFR/CFO).	Controls: Code of ethics (CC); Professional ethics (DFR/CFO).
5. Are you aware of any instances of actual, suspected or alleged fraud within the audited body since 1 April 2021?	No	No

Enquiries of those charged with governance – in relation to fraud

Question	2020-21 Response	2021-22 Response
1. How do 'those charged with governance' exercise oversight of management's processes for identifying and responding to the risks of fraud within the audited body and the internal control that management has established to mitigate those risks?	CFO, DFR, Internal Audit and PSD have contacted each other at regular intervals to confirm whether they have had any such instances. Controls as detailed in the governance framework. This is overseen by the Joint Governance Board.	CFO, DFR, Internal Audit and PSD have a Memorandum of Understanding to inform each other of any such instances. Controls as detailed in the governance framework. This is overseen by the Joint Governance Board.
2. Are you aware of any instances of actual, suspected or alleged fraud with the audited body since 1 April 2021?	No	No

Appendix 2

Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of 'those charged with governance', is responsible for ensuring that the audited body's operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements;
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

What are we required to do?

As part of our risk assessment procedures we are required to make inquiries of management and 'those charged with governance' as to whether the audited body is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Enquiries of management – in relation to laws and regulations		
Question	**2020-21 Response**	**2021-22 Response**
1. How have you gained assurance that all relevant laws and regulations have been complied with?	Joint Governance Board - in 2020-21 the Board met quarterly in accordance with the revised Terms of Reference. Attendees include: DFR (Force), CFO (OPCC), CEO (OPCC), TIAA (internal audit), CIO, Force Solicitor, Chair of Assurance Board, representative of the JAC, and others as required.	Joint Governance Board - in 2021-22 the Board met quarterly in accordance with the revised Terms of Reference. Attendees include: DFR (Force), CFO (OPCC), CEO (OPCC), TIAA (internal audit), CIO, Force Solicitor, Chair of Assurance Board, representative of the JAC, and others as required. During 2021-22 the DFR introduced the Strategic Finance and Resources Board, which has a standing agenda item on resilience and compliance.
2. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations since 1 April 2021, or earlier with an ongoing impact on the 2021-22 financial statements?	No	Yes – there was an instance of procurement which took place outside of the provisions of the Manual of Governance. After consideration of the matter, a waiver of standing orders was issued.

3. Are there any potential litigations or claims that would affect the financial statements?	The Police and Crime Commissioner has the sum of £1.173 million reserved for insurance. £0.649 million relates to the potential additional liabilities in relation to the Scheme of Arrangement for Municipal Mutual Assurance and £0.524 million for additional areas of insurance in relation to current emerging claims not currently recognised. Contingent liabilities are reviewed as part of the year-end processes, and will be reported in the statements of accounts.	The amount held in the Insurance Reserve, together with the Insurance Provisions, were independently reviewed during 2021-22. The Police and Crime Commissioner has the sum of £2.215 million reserved for insurance (previously £1.944m). £0.117 million relates to the potential additional liabilities in relation to the Scheme of Arrangement for Municipal Mutual Assurance and £1.444 million for additional areas of insurance in relation to claims 'Incurred but not reported' (IBMR), 'Incurred but not enough reported reserves (provisions)' IBNR and recommended additional sums.
4. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	No	No

Enquiries of those charged with governance – in relation to laws and regulations		
Question	**2020-21 Response**	**2021-22 Response**
1. How do 'those charged with governance' obtain assurance that all relevant laws and regulations have been complied with?	Joint Governance Board - in 2020-21 the Board met quarterly in accordance with the revised Terms of Reference. Attendees include: DFR (Force), CFO (OPCC), CEO (OPCC), TIAA (internal audit), CIO, Force Solicitor, Chair of Assurance Board, representative of the JAC, and others as required.	Joint Governance Board - in 2021-22 the Board met quarterly in accordance with the revised Terms of Reference. Attendees include: DFR (Force), CFO (OPCC), CEO (OPCC), TIAA (internal audit), CIO, Force Solicitor, Chair of Assurance Board, representative of the JAC, and others as required. During 2021-22 the DFR introduced the Strategic Finance and Resources Board, which has a standing agenda item on resilience and compliance.
2. Are you aware of any instances of non-compliance with relevant laws and regulations?	No	Yes – there was an instance of procurement which took place outside of the provisions of the Manual of Governance. After consideration of the matter, a waiver of standing orders was issued.

Appendix 3

Matters in relation to related parties

International Standard for Auditing (UK and Ireland) 550 covers auditors responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

Enquiries of management – in relation to related parties

Question	2020-21 Response	2021-22 Response
1. Confirm that you have disclosed to the auditor: • the identity of any related parties, including changes from the prior period; • the nature of the relationships with these related parties; • details of any transactions with these related parties entered into during the period, including the type and purpose of the transactions.	Yes Members of the Joint Audit Committee declared all their financial interests relating to contracts and businesses on appointment and signed an agreement to abide by the Seven Nolan Principles of Life and declare any revised interests to the Chief Executive. Joint Audit Committee members declarations of interests can be found on the Office of the Police and Crime Commissioner's website www.northwales-pcc.gov.uk. There are also no material interests or relationships of the Chief Officers or their direct families, which could influence or control the decision making, policies or financial transactions of North Wales Police/Police and Crime Commissioner. A robust process is also in place to approve and register the business interests of both police staff and officers.	There are no material interests or relationships of the Chief Officers or their direct families, which could influence or control the decision making, policies or financial transactions of North Wales Police/Police and Crime Commissioner. A robust process is also in place to approve and register the business interests of both police staff and officers. The son of the Chief Finance Officer is employed as an Audit Apprentice by Audit Wales. Audit Wales has made arrangements to ensure this does not present a conflict of interest for either the Office of the Police and Crime Commissioner or Audit Wales. The Police and Crime Commissioner charges Denbighshire County Council, Abergele Town Council, North Wales Joint Branch Board, Tunnel and Network Services and Victim Support

The Police and Crime Commissioner's (previous PCC up to May 2021) wife is a serving Councillor for Wrexham Council and is a member of the Planning Committee, Safeguarding and Wellbeing Scrutiny Committee, Corporate Land and Buildings Committee, Licensing Committee and Community Health Council.

The Police and Crime Commissioner charges Denbighshire County Council, Abergele Town Council, North Wales Joint Branch Board, Tunnel and Network Services and Victim Support in respect of joint occupancy of buildings.

The Chief Constable is a trustee of PACT (North Wales Police and Community Trust). The Force allocates funding from income received via the Police Property Fund Account in support of PACT projects whose objectives are to raise the profile of community safety, significantly minimise the fear of crime and thus enhance the

in respect of joint occupancy of buildings.

The Chief Constable is a trustee of both PACT (North Wales Police and Community Trust) and Dangerpoint. The Force allocates funding from income received via the Police Property Fund Account in support of PACT projects whose objectives are to raise the profile of community safety, significantly minimise the fear of crime and thus enhance the quality of life throughout North Wales. For 2021-2022 this equated to £45,500 donated from the fund to PACT contributing towards meeting the costs of the Fund administration of £47,259.39.

The Police and Crime Commissioner and Chief Constable participate in a partnership with HMPPS and provide funding to support the 'Dechrau Newydd' project in North Wales. This dual partnership is to reduce drug related offending and deaths through community provision and support.

	quality of life throughout North Wales.

Dechrau Newydd: The Office of the Police and Crime Commissioner along with HMPPS began a new drug intervention contract on 1st April 2020. The service aims to engage substance using offenders and support them to reduce offending, improve health and social functioning, engage with multi agency support and make sustainable lifestyle changes. | Members of the Joint Audit Committee declared all their financial interests relating to contracts and businesses on appointment and signed an agreement to abide by the Seven Nolan Principles of Life and declare any revised interests to the Chief Executive. Joint Audit Committee members' declarations of interests can be found on the Office of the Police and Crime Commissioner's website www.northwales-pcc.gov.uk |
| 2. What controls are in place to identify, authorise, approve, account for and disclose related party transactions and relationships? | Declaration of interests at meetings

Declaration of interests for staff and officers involved in procurement

Register of interests

Register of gifts and hospitality

List of current and former partnerships is maintained by CIO | Declaration of interests at meetings

Declaration of interests for staff and officers involved in procurement

Register of interests

Register of gifts and hospitality

List of current and former partnerships is maintained by CIO |

Enquiries of the those charged with governance – in relation to related parties		
Question	**2020-21 Response**	**2021-22 Response**
1. How do 'those charged with governance' exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?	Declaration of interests at meetings Declaration of interests for staff and officers involved in procurement Register of interests Register of gifts and hospitality List of current and former partnerships is maintained by CIO	Declaration of interests at meetings Declaration of interests for staff and officers involved in procurement Register of interests Register of gifts and hospitality List of current and former partnerships is maintained by CIO

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Annual Report of the Joint Audit Committee - 2021/22

Statement from Chair

As Committee Chair, I am pleased to present the Annual Report of the Joint Audit Committee ('the Committee'; 'the JAC') which covers activities for the period 1st April 2021 to 31st March 2022. The JAC members who served for the year were:-

Name
Rachel Barber
John Cunliffe
Sarah Davies
Julie Perkins
Allan Rainford

The Committee welcomed three new members from 1st April 2021. In 2021/22 the impact of Covid-19, continued to necessitate a different approach to addressing the responsibilities of the Committee and all of the related parties, which assist in providing assurance both to the OPCC, the Force and the JAC. All JAC meetings were held virtually. So too were the JAC All Wales events, CIPFA introduction and induction activities.   Each party rose to this challenge in order to deliver effectively and efficiently, for which I am sincerely thankful for. I thank all of the committee members for their strong contribution and dedication throughout the year.

The purpose of the Joint Audit Committee is to provide independent advice and recommendation to the PCC and CC on the adequacy of the governance and risk management frameworks, the internal control environment, and financial reporting, thereby helping to ensure efficient and effective assurance arrangements are in place.

During the year the JAC received reports from the internal auditors ('TIAA') on their agreed programme of inspection and reviewed progress on actions identified in their reports. During 2021/22, there were no significant issues raised by the Committee to the OPCC or NWP Chief Constable ('NWPCC').

As well as relying on the reports of the external auditors, Audit Wales, (AW) on the year end annual report and accounts for 20/21, the Committee considered all year-end documentation received from the Chief Financial Officer of the PCC and the Director of Finance & Operations of the North Wales Police ('the Finance Officers'); the Finance Officers in place for the financial year were:-

Position	Name
Chief Finance Officer - PCC	Kate Jackson
Director of Finance & Resources - NWP	Seb Phillips
Head of Finance – Deputy Finance Officer	Guto Edwards

Examples of specific activity that the JAC has undertaken to facilitate an informed identification, review and assessment of any significant issues, falling within it remit, included:

- A review of the annual financial statements, focusing particularly on accounting policies and practices including placing an emphasis on the understandability of the narrative report and Annual Governance Statement
- Receiving assurance on capital strategy and treasury management strategy
- Reviewing the approach to risk management and delivery of the improvements to the approach to risk management
- Reviewing the effective, efficient and robust governance arrangements and structures.
- Reviewing and receiving assurance on the approach to value for money and how this is embedded within decision making and strategic action.
- Receiving assurance on the status of readiness to meet the requirements of the new CIPFA Financial Management Code
- Receiving organisational updates at each quarterly meeting from the Force and OPCC to remain appraised of key events taking place within the Force
- Deep dives into the ICT Sourcing Strategy, NEP Programme, Capital Programme, Health and Safety, Digital Transformation and adequacy of financial resources.
- The work of the ethics committee and develop the work of the Committee to support this area
- Involvement in the development of the internal audit programme, including collaborative audits
- A review of effectiveness of both the internal and external auditors.

I would like to express my appreciation to all support staff and senior officers who have assisted the JAC in meeting its responsibilities. Also I thank the external and internal auditors, the teams from the AW and TIAA respectively, for their reports and contributions to the meetings. This continued dialogue has helped develop the frameworks within the Office of the Police and Crime Commissioner and the North Wales Police Force.

Rachel Barber
Chair of Joint Audit Committee

May 2022

1. Overview

The Joint Audit Committee is required to report annually to the Police & Crime Commissioner (PCC) and the NWP Chief Constable outlining the work it has undertaken during the year and, where necessary, highlight any areas of concern.

The Committee Membership consists of external, independent members. During 2020/21 the Force and OPCC reviewed the JAC terms of reference at its Joint Governance Board resulting in minor amendments and in line with CIPFA guidance. The Terms of Reference were presented to the JAC and are attached in **Appendix 1**

The purpose of the JAC is to provide independent advice and recommendations to the PCC and NWPCC on the adequacy of the governance and risk management frameworks, the internal control environment, and financial reporting, thereby helping to ensure efficient and effective assurance arrangements are in place. To this end the Committee is enabled and required to have oversight of, and to provide independent review of, the effectiveness of OPCC and Force's governance, risk management and control frameworks, the financial reporting and annual governance process, internal and external audits.

During 2021-22 The Committee met virtually on four occasions in accordance with its planned schedule:-

- 4th August 2021
- 6th October 2021
- 8th December 2021
- 1st April 2022 (rescheduled from 28th March 2022)

As well as the scheduled meetings an additional meeting was held to provide more detailed feedback on the annual report and accounts before final sign off. We also welcomed representatives from the Police and Crime panel to the October meeting.

Agendas, minutes and papers were made available to the public prior to all the scheduled meetings. The exception to this was where items were deemed inappropriate for publication. In these circumstances a closed session agenda, minutes and papers were made available to all JAC members prior to scheduled meetings.

The External Auditors, Internal Auditors, Chief Executive, Chief Finance Officers all have a standing invitation to attend each meeting and do so on a regular basis. In addition, officers of the OPCC and Force are invited to attend as appropriate to the agenda. Details of those invited routinely to the Committee meetings are listed in **Appendix 2.**

The Committee Members may meet with the External and Internal auditors outside of the formal meeting schedule and an arrangement has been put in place for the Joint Audit Committee to meet with the auditors prior to each meeting without management or officers present.

A number of events were held during the year by JAC members including; an annual all Wales JAC training day held virtually in the year and CIPFA introduction day. An induction was also arranged for all the JAC members.

2.   Work of the Committee during 2021/22

Throughout 2021/22, the Committee reported on the nature and outcomes of its work to the Chief Constable and the Police & Crime Commissioner highlighting any areas that should be brought to their attention.

Some of the key themes featured at meetings during the year included:

- A review of the annual financial statements, focusing particularly on accounting policies and practices including placing an emphasis on the understandability of the narrative report and Annual Governance Statement
- Receiving assurance on capital strategy and treasury management strategy
- Reviewing the approach to risk management and delivery of the improvements to the approach to risk management
- Reviewing the effective, efficient and robust governance arrangements and structures.
- Reviewing and receiving assurance on the approach to value for money and how this is embedded within decision making and strategic action.
- Receiving assurance on the status of readiness to meet the requirements of the new CIPFA Financial Management Code
- Receiving organisational updates at each quarterly meeting from the Force and OPCC to remain appraised of key events taking place within the Force
- Deep dives into the ICT Sourcing Strategy, NEP Programme, Capital Programme, Health and Safety, Digital Transformation and adequacy of financial resources.
- The work of the ethics committee and develop the work of the Committee to support this area
- Involvement in the development of the internal audit programme, including collaborative audits
- A review of effectiveness of both the internal and external auditors.

Appendix 3 sets out the programme of work in relation to the Internal Audit Plan undertaken in 2021/22 and the outcome of these audits. A review is currently underway to determine the most appropriate model for internal audit services moving forwards. In line with the JAC terms of reference of determining the appropriateness of the Internal Audit services, audit committee members will be included in this process as a stakeholder.

A performance self-evaluation review is undertaken at the end of each year by JAC members and is provided to Finance officers to facilitate an action plan to address opportunities for improvement. An evaluation was undertook in early 2021 with three areas identified to enhance its contribution. With an induction process in place it was agreed to undertake an evaluation incorporating new committee members early in 2022 and agree an action plan with the Finance Officers for 22/23. The evaluation has shown opportunities to:
- Continue to support the committee with briefings and training
- Advise the Committee on the adequacy of the assurance framework
- Further support the arrangements for assuring the Committee of value for money
- Increase the reporting to the Committee of the assurance for countering fraud and corruption
- Demonstrate to the committee effective public reporting to the authorities and local community to improve transparency and accountability

Officers also provided feedback to the JAC which will be incorporated into the action plan.

At the time of writing this report the action plan is to be agreed and discussed, this will happen at the first meeting of 22/23.

3.   Internal Audit

Throughout the course of the year, the JAC is assisted in its work by the internal audit programme which evaluates and contributes to the improvement of governance, risk management and control processes. The internal audit activity provides objective examination, evaluation and reporting on the adequacy of the system of internal control. All internal audits within the annual programme align to the Assurance Framework strategic risks which support the provision of objective assurance against the management and control of the risks. The key findings of the internal audits are reported to the JAC including comments on the appropriateness of key controls in relation to the risks, the strength of the assurances provided for each risk as well as the suitability of the proposed additional risk-mitigating actions.

The Committee is required to ensure that there is an effective internal audit function. This is achieved through the review and approval of the risk based internal audit and anti-fraud plans. During the reporting period the internal audit function was provided by The Internal Audit Agency (TIAA) as part of a two year contract awarded in April 2019, with the option to extend the term for a further two years. Contract arrangements beyond the current term are currently under review, as noted earlier in the report.

Internal audit also plays an important role in supporting the Chief Executive to ensure an effective control environment and has a clearly defined programme of work which includes advisory work in addition to audit.

The Committee continued to have oversight and input into the development of the annual internal audit programme. In March 2021 the Committee reviewed and approved the 2021/22 internal audit strategy and annual internal audit plan, except for collaboration audits which were still to be finalised. The final programme was shared with JAC in August 21. There were unused days due to change in the programme which meant unused days from 20/21 would be carried forward to 21/22. Due to carryover there would be 199 days allocated to the 21/22 plan. At the first meeting of the year in August, TIAA provided their Internal Audit Annual opinion for 20/21 as 'satisfied that the PCC and CC have adequate and effective management, control and governance processes in place to manage the achievement of their objectives.'

During 21/22 there were two 'Limited Assurance' audits. The Committee during the period had received two of the audit reports. At the time of writing this report a further limited assurance audit report will be provided at the first meeting of 22/23. Delivery of actions were reported in detail to the JAC and a deep dive also took place around Health and Safety offering assurance to the JAC that officers were fully engaged in the delivery of improvements and understanding of the position. Full traceability and assurance is provided to the JAC for all client briefing notes providing transparency of action taken by the Force or OPCC.

The 2022/23 internal audit plan was presented to the last meeting of the year and was noted by the

JAC. This can be found in **Appendix 4**.

4.   External Audit

The external audit contract is provided by Audit Wales (AW) as appointed by the Auditor General for Wales. Declaration of auditor independence and objectivity was accepted by the Committee from AW.

There are clear policy guidelines in place around the provision of non-audit services by the External Auditor. Safeguards are in place which ensures the Committee is kept informed of the scope and value of additional work commissioned from the External Auditors. No additional non-audit work was undertaken by the External Auditors within the year.

The external auditors provided their updated view on their risk based audit approach and their key areas of focus in the year-end audit via a technical update and planning report, enabling the Committee to ask questions and seek advice as necessary. The key risks identified that might impact the financial statements in 2020/21 included Risk of Management Override, Impact of Covid 19 and the McCloud Judgement.

The JAC has reviewed the work of External Audit and is satisfied that the external audit service is of a sufficiently high standard and that fees are appropriate and reasonable. The external audit fee for 2021/22 was £83,699 plus VAT.

The Committee reviewed and approved the AW 2022/23 annual plan. The external audit fee will be £86,933, a slight increase on prior year. As the JAC prepares for the work of the AW during 2022/23 the AW identified the key risks as follows: Management override, impact of Covid 19 and Asset Valuations.

5.   Areas of Focus

In our role as JAC members, we undertake a number of activities outside of the formal scheduled meetings on matters relating to the Committee; such as meetings with the Chief Executive, Chief Financial Officers, Members of the Senior Management Team and Internal and External Auditors and specific committee meetings relevant to a Member's specialist areas of focus as set out below:

Name	Focus Area
Rachel Barber	Chair
John Cunliffe	Risk
Sarah Davies	Governance and Ethics
Julie Perkins	IT Systems & Digital
Allan Rainford	Financial reporting

6.   Governance

The Joint Governance Board met routinely during 2021/2022. Its purpose is to consider the overall joint governance framework and to ensure that the PCC and the CC fulfil their corporate governance responsibilities. The board membership comprises senior officers of both the OPCC and the Force and the Head of Internal Audit. Members of the JAC have attended meetings of the board. The Chief

Finance Officer reports to every JAC meeting on its work.

Drafts of the annual governance statement in respect of 2020/2021 were presented and discussed at the Joint Governance Board, to which JAC members are invited. Members of the JAC were able to review and comment on the final draft AGS prior to its final presentation as part of the report and accounts at the JAC meeting on 6th October. The progress of the Annual Governance Plan for 2021/2022 is routinely discussed at the Joint Governance Board.

Following the Governance Review of 2019/20, in developing and updating governance, all actions were completed during 2021. A review of the effectiveness of the governance structure subsequently followed and reported through to the Joint Governance Board with information provided to JAC. It was noted that the governance arrangements are considered effective and efficient, by officers. There were a number of recommendations made which will be monitored by the Joint Governance Board and reported through to the JAC for assurance during 2022/23.

The Manual of Governance was reviewed, amended, approved and published during the year.

There has been a newly appointed independent Chair of the Ethics committee who attended JAC meeting and provided an update of the work to date. This will continue to be reported through to JAC during 22/23

7.   Risk Management & Controls

The JAC concentrates on the combined strategic risk register and seeks reassurance that it is reasonable, comprehensive and dynamic. It also checks that residual risk is in line with both organisations' appetite for risk. At every JAC meeting members receive and review the risk management update on the organisational risk management process. All JAC members also have access to the OPCC and Force registers before their formal meetings. The reporting continues to evolve in order to provide more succinct and transparency to the work the Force undertakes in this area.

In order to deliver improvements, it was agreed with JAC; to build on the risk framework, ensure resources are appropriately considered and embed the approach to risk management further into the culture of the organisation. In this year a separate risk register for COVID continued until the 2nd half year when the outstanding risks were transferred to the 'normal' risk register.

The JAC encouraged the Force to introduce formal risk appetite in 19/20. This was reviewed and developed in 20/21, with JAC providing input and scrutiny to the approach adopted. During 21/22 this was incorporated into the risk management and assurance mapping framework. During the year the force decided that assurance mapping would be prioritised on a risk basis and this has progressed.

Deep Dives have been undertaken during the year in the following areas: Capital Programme, Health and Safety, ICT Sourcing strategy, Digital Transformation, NEP Programme and adequacy of financial funding.

8.   Value for Money (VFM)

CIPFA guidance notes that it is the statutory responsibility of the Chief Constable to secure VFM, the Commissioner holds the Chief Constable to account for this responsibility. The role of JAC is to support both the Commissioner and Chief Constable to fulfil their responsibilities. The JAC role is to consider the arrangements to secure VFM and review assurances and assessments on the effectiveness of these arrangements. The JAC received assurance during the year on how the strategic planning cycle is at the heart of its VFM processes and the composition and utilisation of its VFM framework. It received information on savings and outcomes achieved whilst embedding VFM in all that is done.

In December WA provided 'that the Commissioner and Chief Constable have appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources'.

9.   Financial Reporting

The JAC takes a holistic approach to discharging its accountability in relation to the Annual Report and Financial Statements.

Examples of specific activity that the JAC has undertaken to facilitate an informed identification, review and assessment of significant issues in relation to the 2020/21 Statutory Accounts include the following:

- Receiving briefings from the Finance Officers of the PCC and the Chief Constable who are required to bring to the attention of the Committee, on an ongoing basis, any changes to accounting policy, significant financial reporting issues, estimates and judgements, and significant transactions, ensuring the annual accounts have been prepared in accordance with accounting policies;
- the Committee reviewed the integrity of the Financial Statements prior to approval by the Police and Crime Commissioner and the Chief Constable and compliance with accounting policy and any significant adjustments;
- the Committee received reports from the Chief Finance Officers detailing breaches and waivers of the procurement process and assurance on compliance with losses and special payments processes;
- the Committee received and reviewed the draft Annual Report and Financial Statements in preparation for their signature, in October 2021.
- the Committee reviewed the Annual Report (including the Annual Governance Statement), Annual Financial Statements and Accounts to provide a consistency and reasonableness check;
- the Finance Officers presented to the Committee detailed papers on the annual accounts process during the year-end reporting period;
- the Committee considered the external auditor's ISA260 report and unmodified audit opinion. No differences of opinion with the key management judgements were highlighted;
- the Committee considered TIAA's opinion in relation to the overall adequacy and effectiveness of the organisation's risk management, control and governance processes, which provided overall Substantial Assurance.
- The Committee raised the continued slippage in capital expenditure and delivery of projects to the management who ensured that the narrative report was suitably reflective of this slippage.

- The Committee made recommendations on the presentation of the report to improve understandability. Further improvements will be made for the 22/23 report.

From its work the JAC was able to conclude that:

- the Annual Report and Financial Statements represented a fair and reasonable view of the Police and Crime Commissioner's and Chief Constable's financial position;
- there were no significant accounting policy changes;
- the financial statements were compliant with financial reporting standards;
- areas requiring significant judgements in applying accounting policies had been reviewed;
- there were no significant or unusual transactions in the year.

During the year the Committee received assurance of the progress and compliance with the CIPFA Financial Management Code.

10.   Raising Concerns

The Force aims to create an environment where staff feels it is safe to raise and discuss concerns and weaknesses openly so that the appropriate responding action plans can be established and monitored through to implementation. During 2021/22, the JAC received assurance against the system for raising concerns as part of its schedule of business. This will continue into 2022/23.

11.   2022/23 Forward Plan and Meeting dates

During 2022/23 the JAC will deliver upon its Terms of reference and more specifically:

- Track and review the actions from the Governance review action plan and support further improvement
- Shine a spotlight on the work of the ethics committee and develop the work of the Committee to support this area
- Seek assurance of compliance with the Financial Management Code and guide further improvements in financial presentation to aid understanding
- Continue to review how value for money is achieved.
- Support management to develop its approach to risk and embedding this into the organisation.
- Deliver the action plan derived from its annual self-evaluation effectiveness review
- Understand and review the approach to IT and Digital Transformation including the NEP Programme

The JAC has four meetings planned during 2022-23 financial year:-

- 28th July 2022
- 6th October 2022
- 8th December 2022
- 28th March 2023

Appendix 1

Terms of Reference of the Joint Audit Committee

1.   Statement of purpose

1.1   The Joint Audit Committee is a key component of the corporate Governance of the Police and Crime Commissioner (PCC) and Chief Constable (CC) for North Wales. It provides an independent and high-level focus on the audit, assurance, risk management and reporting arrangements that underpin good governance and financial standards.

1.2   The purpose of the Joint Audit Committee is to provide independent advice and recommendation to the PCC and CC on the adequacy of the governance and risk management frameworks, the internal control environment, and financial reporting, thereby helping to ensure efficient and effective assurance arrangements are in place. To this end the Committee is enabled and required to have oversight of, and to provide independent review of, the effectiveness of the Office of the Police and Crime Commissioner's (OPCC) and Force's governance, risk management and control frameworks, the financial reporting and annual governance process, and internal and external audit.

1.3   These terms of reference summarise the core functions of the Committee in relation to the OPCC and to the Force and describe the protocols in place to enable it to operate independently, robustly and effectively.

2.   Governance, risk and control

2.1   The Committee will provide advice and recommendations to the PCC and CC in relation to the following areas:

2.1.1   Review the Manual of Governance, comprising the Code of Corporate Governance, Scheme of Consent, Financial Regulations and Standing Orders for Contracts against the good governance framework, and comment and advise on any proposed changes.

2.1.2   Review the corporate governance arrangements against the good governance framework, including the ethical framework, codes of governance, and policies on fraud, irregularity and corruption, including whistle blowing.

2.1.3   Review the annual governance statements prior to approval and consider whether they properly reflect the governance, risk and control environment and supporting assurances and identify any actions required for improvement.

2.1.4   Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

2.1.5   Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPCC and Force.

2.1.6   Monitor the effective development and operation of risk management, review the risk profile, and monitor the progress of the PCC and CC in addressing risk-related issues reported to them (individual Force operational risks are specifically excluded from the remit of the Joint Audit Committee).

2.1.7   Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

2.1.8   Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter fraud strategy, actions and resources.

2.1.9   To review the governance and assurance arrangements for significant

partnerships or collaborations.

2.1.10 The PCC nominate the Joint Audit Committee to be responsible for ensuring effective scrutiny of the Capital Strategy and Treasury Management Policy.

3. Internal Audit

3.1 The Committee will provide advice and guidance to the PCC and CC in relation to the following areas:

3.1.1 Annually review the internal audit charter and resources.

3.1.2 Review the internal audit plan and any proposed revisions to the internal audit plan.

3.1.3 Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence.

3.1.4 Consider the head of internal audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements.

3.1.5 To consider the head of internal audit's statement of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these wll indicate the reliability of the conclusions of internal audit.

3.1.6 Consider summaries of internal audit reports and such detailed reports as the Committee may request from the PCC and CC, including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions.

3.1.7 Consider a report on the effectiveness of internal audit to support the Annual Governance Statement as required by the Accounts and Audit Regulations (Wales) 2014.

3.1.8 To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To make recommendations on safeguards to limit such impairments and periodically review their operation.

4. External audit

4.1 The Committee will provide advice and recommendations to the PCC and CC in relation to the following areas:

4.1.1 Support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by the Auditor General or Audit Wales.

4.1.2 Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.

4.1.3 Consider the external auditor's annual management letter, relevant reports and the report to those charged with governance.

4.1.4 Consider specific reports as agreed with the external auditor.

4.1.5 Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

5. Financial Reporting

5.1 The Committee will provide advice and recommendations to the PCC and CC in relation to the following areas:

5.1.1 Review the annual statements of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial

statements that need to be brought to the attention of the PCC or CC.

    5.1.2   Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements.

6. Accountability arrangements

6.1   The Committee will:

    6.1.1   On a timely basis report to the PCC and CC with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.

    6.1.2   Report to the PCC and CC on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.

    6.1.3   Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the PCC and CC.

    6.1.4   Publish an annual report of the work of the Committee.

7. General

7.1   The Committee will normally comprise five independent members, who are independent of both the OPCC and Force. If it becomes apparent that the membership will fall below four members, recruitment will be undertaken to bring the membership up to five.

7.2   The quorum for the Committee will be at least three independent members.

7.3   The committee will meet at least four times each year. Additional meetings may be arranged by exception to discuss matters of urgent concern.

7.4   Training and other events take place on a periodic basis, which members are expected to attend.

7.5   Each member is invited to lead in an area where they have specialist knowledge, and may communicate with relevant staff and officers outside of formal meetings in order to be able to inform the rest of the Committee and to provide assurance to the PCC and CC.

Appendix 2

OFFICERS INVITED TO JOINT AUDIT COMMITTEE

FORCE OFFICERS:	
Seb Phillips	Director of Finance and Resources
Guto Edwards	Head of Finance
Helen Williams	Financial Control Accountant
Chief Super Sian Beck	Corporate Services
James Sutton	Head of Business Intelligence
Anne Matthews	Finance and Budgets Officer
Philip Kenyon	Force Solicitor
OFFICE OF THE POLICE AND CRIME COMMISSIONER:	
Stephen Hughes	Chief Executive Officer
Kate Jackson	Chief Finance Officer
Angharad Jones	PA to the Chief Executive

By Invitation	
Michelle Phoenix	Audit Wales
Helen Cargill	TIAA

Appendix 3

Internal Audit Programme undertaken in 21/22

Progress against Annual Plan 2021-22

System	Planned Quarter	Current Status	Comments
Collaborative – Pan Wales			
Counter Fraud (Anti-Fraud Procurement)	1	**Fieldwork ongoing**	**Lead Force – NWP** **Audit delayed due to time taken to agree area for coverage.** **Audit completion delayed due to sickness but will be issued prior to the year end.**
Pensions – All Wales Pension Board*	2	**Final report issued 11th November 2021**	
Safety Camera Partnership	2	**Final report issued 23rd November 2021**	
Automatic Number Plate Recognition (ANPR)	2	**Final report issued 12th January 2022**	
Agile Working	2	**Final report issued 17th February 2022**	
Budgetary Control	3	**Final report issued 26th January 2022**	
General Ledger	3	**Final report issued 25th November 2021**	
Payroll	3	**Deferred To Q2 2022/23**	
Creditors	3	**Deferred To Q2 2022/23**	
Debtors	3	**Draft report issued 23rd February 2022**	
Treasury Management	3	**Final report issued 2nd February 2022**	
North Wales Only			

System	Planned Quarter	Current Status	Comments
Health and Safety Management	1	Final report issued 5th July 2021	Presented to August 2021 JAC
ICT – Network Security	~~1~~ 2	Draft report issued 20th January 2022	
Western Area – Command Unit	1	Final report issued 29th June 2021	Presented to August 2021 JAC
Pensions – Cyber Security	1	Final report issued 2nd September 2021	Presented to October 2021 JAC
Commissioner's Grants	2	Final report issued 11th November 2021	
Performance Management	2	Final report issued 2nd November 2021	Presented to December 2021 JAC
ICT – Data Protection	2	Site work completed	
Capital Programme	2	Final report issued 17th September 2021	Presented to December 2021 JAC
Fleet Management – Fleet Strategy	3	Deferred to 2022/23	Deferred at the request of Management
Risk Management – Mitigating Controls	3	Final report issued 6th December 2021	
Contract Management	3	Site work completed	
Fixed Assets	3	Draft report issued 2nd December 2021	
HR Management – HR Strategy	3	Final report issued 11th January 2022	
Occupational Health Unit	4	Final report issued 4th February 2022	
Strategic Planning	4	Final report issued 1st February 2022	
OPCC Complaints	4	Proposed date w/c 21st March 2022	Additional audit agreed with Chief Finance Officer
Follow-up	4	Final report issued 2nd March 2022	
Liaison with Audit Wales	1-4		
Annual Planning	4	Final Report issued 12th May 2021	
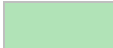
System	Planned Quarter	Current Status	Comments
Annual Report	**4**		
Audit Management	**1-4**		

KEY:

	To be commenced		Site work commenced		Draft report issued		Final report issued

Appendix 4

Internal Audit Plan for 2022/23

APPENDIX A: ROLLING STRATEGIC PLAN

Review Area	Type	2022/23	2023/24	2024/25
Governance				
Corporate Communications	Assurance	10		
Community Engagement	Assurance	10		
Health and Safety Management	Assurance	8		8
Collaborations	Assurance		10	
Strategic Resource Planning	Assurance		10	
Performance Management	Assurance			10
Business Continuity Planning	Assurance			8
Risk				
Risk Management Mitigating Controls (Collaborative in 2022/23)	Compliance	*[1]	6	6
ICT				
Cyber Security	Assurance	8		8
ICT Change Management	Assurance	8	8	
ICT Fixed Assets (Collaborative in (2022/23)	Assurance	*		6
Infrastructure Review	Assurance		8	
Data Assurance	Assurance		8	
Network Security				8

[1] * denotes included as a collaborative review in 2022/23

Review Area	Type	2022/23	2023/24	2024/25
Finance				
Budgetary Control	Assurance		6	
General Ledger	Assurance		6	
Payroll (Collaborative in 2022/23)	Assurance	*	10	10
Creditors (Collaborative in 2022/23)	Assurance	*		6
Debtors	Assurance			6
Pensions	Assurance	8		
Expenses and Additional Payments (Collaborative in 2022/23)	Assurance	*		8
Treasury Management	Assurance	4	4	4
Capital Programme (Collaborative in 2022/23)	Assurance	*		8
Counter-Fraud (Collaborative in 2022/23)	Compliance	*	6	6
Estates and Fleet				
Fleet Management – Repairs (inc BMW Issues)	Compliance	5		5
Fleet Management – Fuel	Compliance		6	
Fleet Strategy (Collaborative in 2022/23)	Assurance	*		
Estates Management – Delivery	Compliance	6		
Estates Management – Strategy	Assurance		6	
Operational Performance and Infrastructure				
Central Area – Command Unit	Compliance	8		
Eastern Area – Command Unit	Compliance		8	
Western Area – Command Unit	Compliance			8
Contract Management – (Building/ICT/Services Project 2022/23)	Compliance	6	6	6
Property Subject to Charge (Evidential Property)	Compliance	6		6
Vetting (uplift officers, new recruits and transferees)	Compliance	6		

Review Area	Type	2022/23	2023/24	2024/25
Firearms Licensing	Compliance	6		
Procurement	Assurance		8	
Commissioners Grants	Assurance			6
Workforce				
Wellbeing and Strategy	Assurance	10		
HR Recruitment	Assurance	*		
HR Absence Management linked to Agility	Assurance	6		
Organisational Development	Assurance		7	
Occupational Health Unit	Assurance			5
HR Management Strategy	Assurance			10
Follow Up				
Follow Up	Follow Up	6	6	6
Collaborative Reviews (Leads in brackets)				
Risk Management (Lead Force: North Wales)	Compliance	5		
Fixed Assets (Lead Force: Dyfed Powys – Focus on ICT)	Compliance	5		
Payroll (Lead Force: Dyfed Powys – to include overpayments)	Assurance	8		
Creditors (Lead Force: Dyfed Powys)	Assurance	6		
Counter Fraud Procurement (Lead Force: South Wales)	Assurance	7		
Capital Programme (Lead Force: North Wales)	Assurance	6		
Fleet Management - Fleet Strategy lead Force: (South Wales)	Assurance	4		
Expenses/additional payment (Lead Force: Gwent)	Assurance	6		
HR - use of OLEEO (Lead Force: North Wales)	Assurance	5		
Management and Planning				

Review Area	Type	2022/23	2023/24	2024/25
Liaison with Audit Wales	Management	2	2	2
Contingency	N/A		18	
Annual Planning	Management	4	4	4
Annual Report	Management	4	4	4
Audit Management	Management	18	18	18
Total Days		**201**	**175**	**182**

APPENDIX B: COLLABORATIVE ANNUAL PLAN – 2022/23

Quarter	Review	Type	Days	High-level Scope
1	HR – Use of OLEEO	Assurance	5	The review will consider the work being led by North Wales Police on the benefits realised from the use of the OLEEO HR Recruitment System particularly in regard to recruiting to key or specialist posts. (Lead Force: North Wales)
2	Risk Management – Mitigating Risk	Compliance	5	Two risks which are included in the organisation's Risk Register will be selected and the effectiveness of the identified controls will be reviewed. The review also considers the effectiveness of mitigating actions on outcomes. The scope of the review does not include consideration of all potential mitigating arrangements. (Lead Force: North Wales)
2	Expenses and Additional Payments	Assurance	6	The review checks compliance with the expenses and additional payments policy and procedure. The scope also looks at the effectiveness of the automated process, especially in light of the changes to mileage expenses in South Wales and Gwent. The scope of the review will not include any other aspect of the Payroll arrangements. (Lead force: Gwent)
2	Payroll	Assurance	8	The review considers the arrangements for: the creation, amendment and deletion of payroll records accurately and on a timely basis; payment of allowances and pay awards; collection of overpayments; and payment of salaries. The review will also consider the arrangements for reviewing the payroll prior to authorisation including the review of exception reports and pay variations. The scope of the review does not include determination of salary scales, the HR arrangements for appointment and removal of staff, severance payments or reimbursement of travel and subsistence expenses, or pension arrangements. (Lead Force: Dyfed-Powys)
2	Creditors	Assurance	6	The review considers the arrangements for reviewing and authorising and paying costs incurred by the organisation and the arrangement for control of the organisation's cheques and automated payments. The review will consider the management of amendments to supplier standing data, including the verification of requests for change of bank details. The allocation and use of procurement cards will also be considered including the month end reconciliation to statements. The scope does not include providing an assurance that the expenditure was necessary or that value for money was achieved from the expenditure committed. (Lead Force: Dyfed-Powys)

Quarter	Review	Type	Days	High-level Scope
2	Fixed Assets – ICT Assets	Compliance	5	The review considers the identification of assets that need to be recorded in the asset register, the identification, locating and recording of assets including labelling and the appropriate useful life in line with stated policy; inventories; and the disposal of assets including identification of any surplus on disposal where sold and ensuring securely destroyed where necessary. A sample of assets will be verified as part of the review. The review will focus on ICT assets. The scope of the review does not include consideration of the purchasing, depreciation policies or insurance arrangements. (Lead Force: Dyfed-Powys)
3	Capital Programme	Assurance	6	The review considers the arrangements for accounting for the capital programme including the approval of the capital budget and priorities, the management of capital expenditure and variations, the adequacy of reporting and arrangements for dealing with slippage in projects or notification of additional funding. The scope of the review does not include consideration of the funding arrangements or the specification of the projects. (Lead force: North Wales)
3	Counter-Fraud (Anti-Fraud Procurement)	Assurance	7	The review considers the robustness of the organisation's internal Anti-Fraud policy and associated policies in providing mitigation against fraud and/or the impact of fraud. In addition, the review will test for potential significant fraud exposures due to non-compliance with the Force's procurement arrangements and/or inadequate or ineffective segregation of duties. The scope of the review will not include identification of all potential fraudulent transactions. (Lead Force: South Wales)
3	Fleet Management – Strategy	Assurance	4	The review considers the effectiveness of the arrangement for the management and replacement of the fleet of vehicles used by the Force and the Police and Crime Commissioner's Office. (Lead Force: South Wales)
	Total		**52**	

APPENDIX C: ANNUAL PLAN – NORTH WALES POLICE 2022/23

Quarter	Review	Type	Days	High-level Scope
1 (April 2022)	Contract Management – (Building/ICT/Services Project 2022/23)	Assurance	6	**Rationale** Key operational risk area. **Scope** The review will consider the effectiveness of the contact management arrangements in relation to the Unit 34 – Housing Maintenance Solutions Ltd Contract.
1	Property Subject to Charge (Evidential Property)	Compliance	6	**Rationale** Issues with compliance with Policy and Procedures in place and Limited Assurance assessment in previous recent review. **Scope** The review will appraise the effectiveness of the controls over the arrangements for Property Subject to Charge.
1	Wellbeing and Strategy	Assurance	10	**Rationale** Impact of Covid and remote working on staff **Scope** The review will consider the Wellbeing Strategy and the arrangements for ensuring staff wellbeing and determine how the effectiveness of these arrangements is evaluated.
1	Estates Management - Delivery	Compliance	6	**Rationale** Key risk area. **Scope** The review appraises the development of the estates strategy and the adequacy of the arrangements for delivering this including stock and asset condition survey, identification of need for work and replacement, scheduling the work, monitoring, and authorising payments for planned and cyclical works.
1	Central Area – Command Unit	Compliance	8	**Rationale** Key risk area, included in the plan on a cyclical basis. **Scope** The review assesses compliance with the key corporate procedures for Financial, HR, Duty of Care and Service Delivery.

Quarter	Review	Type	Days	High-level Scope
1	Corporate Communications	Assurance	10	Rationale Key operational risk area. Scope The review will consider the effectiveness of the Internal and External Communications strategies for the Force and the Police and Crime Commissioner.
2	Community Engagement	Assurance	10	Rationale Key area of Governance, part of a rolling programme of Governance reviews. Scope The review will consider the effectiveness of the Community Engagement strategies for the Force and the Police and Crime Commissioner.
2	Pensions	Assurance	8	Rationale Key financial risk area. Scope The review considers the arrangements for the management and control of the administration of pensions.
2	ICT Change Management	Assurance	8	Rationale Rolling programme of technical ICT reviews covering key risk areas. Scope The review considers the documented arrangements to ensure that changes to IT systems and services are defined, risk assessed, authorised, tested, implemented and fully documented to ensure service delivery and security are not compromised. The review also identifies the requirements for a roll back plan where changes cause significant operational issues. The review will not consider the nature of any changes.
2	Vetting	Compliance	6	Rationale High risk area if effective arrangements not in place. Scope The review will assess compliance with the internal vetting policy. The scope of the review will not include providing assurance that all relevant staff and contractors are vetted.

Quarter	Review	Type	Days	High-level Scope
3	Cyber Security	Assurance	8	**Rationale** Cybercrime is on the increase and a gap analysis against CESG ten steps to cyber security guidance provides a useful assessment of a public sector organisation's maturity and potential areas of vulnerability to attack. The audit review and gap analysis focuses on Internet-originated attacks against an organisation's information security. **Scope** The review considers the security management arrangements for the pro-active identification, prioritising and mitigating against cyber-crime risks. The scope of the review includes policies, procedures and risk management activities in place for the key elements of the CESG framework, including: • Information Risk Management Regime • Secure configuration • Network security • Managing user privileges • User education and awareness • Incident management • Malware prevention • Monitoring • Removable media controls • Home and mobile working
3	Health and Safety Management	Assurance	8	**Rationale** High risk area. Limited Assurance in 2021/22. **Scope** The review considers: the adequacy of the arrangements for managing the health and safety requirements of the Force. The review considers the arrangements for compliance with key requirements of health and safety legislation but does not represent an exhaustive review of compliance with all health and safety legislation and cannot be relied upon as such

Quarter	Review	Type	Days	High-level Scope
3	Treasury Management	Assurance	4	**Rationale** <u>Rationale</u> Key Audit risk area requested by the Joint Audit Committee. <u>Scope</u> The review considers 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 scope of the review does not include consideration of the appropriateness of any individual financial institution or broker or of individual investment decisions made by the organisation.
3	Firearms Licensing	Compliance	6	<u>Rationale</u> High risk area if effective arrangements not in place. <u>Scope</u> The review will assess compliance with the regulatory requirements and Force Policy for Firearms Licencing.
3	HR Absence Management	Assurance	6	<u>Rationale</u> Review of HR Management arrangements included in each year of the plan. <u>Scope</u> The review considers the arrangements for: recording, reporting and monitoring absence. The scope of the review will also consider the arrangements to promote wellbeing, agile working and reduce absence.
3	Fleet Management – Repairs	Assurance	5	<u>Rationale</u> Key risk area especially with current BMW issues. <u>Scope</u> The review will consider the effectiveness of the delivery of the fleet management repairs and maintenance arrangements, including the planning of services and MOT's, responsive repairs and general maintenance. The review will include focus on the BMW issues.
1-4	Collaborative Audits	Appendix B	52	Details provided in Appendix B
1-4	Liaison with Audit Wales Management	Management	2	Ongoing liaison with Audit Wales.
4	Follow-up	Follow up	6	The review ascertains whether management action has been taken to address the priority 1 and 2 recommendations only arising from selected internal audit work carried out in the previous financial year and current year to date, ensuring the Organisation is implementing recommendations, and providing reports to the Joint Audit Committee.
1	Annual Planning	Management	4	Assessing the Police and Crime Commissioner and the Chief Constable's annual audit needs.

Quarter	Review	Type	Days	High-level Scope
4	Annual Report	Management	4	Reporting on the overall conclusions and opinion based on the year's audits and other information and providing input to the Annual Governance Statement.
1 – 4	Audit Management	Management	18	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Joint Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
		Total days (including collaborative days)	**201**	

Joint Audit Committee

Meeting Date: 28 July 2022

Title:	Joint Governance Board
Author:	Kate Jackson, Chief Finance Officer
Purpose of the report:	Update
The report is provided to JAC for: **(tick one)**	☐ Decision ☐ Discussion ☐ Assurance ☐ X Information

Summary / Key Points:	• The Chair of JAC was in attendance at the meeting held on 22 June 2022.
	 • The board was updated on:
	     ○ Governance efficiency and effectiveness
	     ○ Annual Governance Statement 2021/22
	     ○ ICT Fixed Assets Audit (limited assurance)

Recommendations:	• For members of the Joint Audit Committee to note the work of the Joint Governance Board. • For members of the Joint Audit Committee to be aware that they have a standing invitation to attend Joint Governance Board, and that meeting papers and minutes will be provided to them on request.
Risk register impact:	The way risk is managed is integral to good governance and is considered within the Governance Framework
Assurance implications:	The Joint Governance Board is to oversee changes to assurance arrangements following the Governance Review undertaken in 2019/20. The Joint Governance Board is to oversee any future changes to the Manual of Governance.
Equality Impact:	None
Information exempt from disclosure:	None

JOINT AUDIT COMMITTEE

28 July 2022

Joint Governance Board

Report by the Police and Crime Commissioner's
Chief Finance Officer

1.   Background

1.1.   A Joint Governance Board was originally formed in 2014 to document the governance arrangements in both the Office of the Police and Crime Commissioner and North Wales Police Force.

1.2.   The Board meets four times each year, and a work programme has been prepared.

1.3.   Members of the Joint Audit Committee have a standing invitation to attend the meeting; the Chair of the Committee attended on 22 June 2022 and contributed at the meeting.

2.   Recommendations

2.1.   For members of the Joint Audit Committee to note the work of the Joint Governance Board.

2.2.   For members of the Joint Audit Committee to be aware that they have a standing invitation to attend Joint Governance Board, and that meeting papers and minutes will be provided to them on request. Future meeting dates are:
   * 7 September 2022 at 10am
   * 9 November 2022 at 10am
   * Dates for 2023 are being arranged

3.   Work of the Joint Governance Board

3.1.   At the meeting held on 22 June 2022, the following were discussed:

3.1.1.   Governance efficiency and effectiveness

The Corporate Governance and Policy Lead stated that there is increased awareness of governance within the force.

The use of a report template, which includes a summary of previous discussions, is reducing the need for the same conversations to be repeated at the different meetings. This means that discussions are now more focussed and less repetitive.

The Corporate Governance and Policy Lead plans to observe some meetings over the next year, to be able to gain additional assurance of their effectiveness.

3.2.2   Annual Governance Statement

The Director of Finance and Resources presented the most recent version of the Annual Governance Statement. It was noted that the Annual Governance Statement is published alongswide the statutory accounts, but where the accounts show the position up to 31 March 2022, the Annual Governance Statement will need to show the up to date position at the time the accounts are signed off (currently planned to be 6 October 2022).

The action plan is yet to be developed, this will incorporate the findings of the governance efficiency review, alongside actions to address findings from inspections, including HMICFRS.

The format of the Annual Governance Statement will be reviewed, with a view to incorporating good practice observed elsewhere. Any changes will be incorporated in the 2022/23 Annual Governance Statement.

3.2.2   ICT fixed assets internal audit

This audit received "limited" assurance. On further investigation, it appears that the root cause of the problem was linked to record-keeping related to equipment that had been issued.

All assets highlighted by the audit report have been located, and work is underway to ensure that the records are up to date for all ICT equipment. The process to record issues of IT equipment have been made more robust to prevent the issue recurring. TIAA will carry out a follow up audit in due course.

3.2.3   Recommendations from Joint Audit Committee

The Chair of Joint Audit Committee observed that recommendations from Joint Audit Committee are rarely discussed at Joint Governance Board. The Director of Finance and Resources explained that Joint Governance Board limits its scope to those items that are relevant to its terms of reference; however it was acknowledged that the deep dive into risk might have been appropriate for inclusion. The Director and Finance and Resources and Chief Finance Officer are to review thoroughly during future agenda setting meetings, to identify all items which might be appropriate to bring to Joint governance Board.

3.2.4   Forward work plan

It was noted that the actual dates for the statement of accounts is not aligned with the statutory timetable, and this means that the agendas will vary from the work programme during 2022.

3.3   Members of the Joint Audit Committee will be able to access papers, including minutes and actions from the most recent meeting, via the G-drive. The next meeting will take place on 7 September 2022.

4.   IMPLICATIONS

4.1	Equality	The Police and Crime Commissioner and Chief Constable operate with regard to the principles established within the Joint Equality Plan.
4.2	Financial	The way finances are managed is integral to good governance. The financial policies and the monitoring of financial systems and performance are considered within the Governance Framework.
4.3	Legal	It is a legal requirement to publish Annual Governance Statements for the Police and Crime Commissioner and Chief Constable alongside the Statements of Accounts each year. One purpose of the Joint Governance Board is to record the governance activities for both corporations sole (and ensure any concerns are addressed) in order that the Annual Governance Statements can be prepared accurately and in a timely manner.
4.4	Community and Social Value	Environmental policies, outcomes and engagement (and the monitoring of these) are considered within the Governance Framework. This includes the Wellbeing of Future Generations (Wales) Act 2017.
4.5	Risk	The way risk is managed is integral to good governance and is considered within the Governance Framework.
4.6	Police and Crime Plan	The objectives within the Police and Crime Plan are fundamental to both corporations sole. The way this is monitored is considered within the Governance Framework.

Report Author
Kate Jackson
Chief Finance Officer, OPCC

JOINT AUDIT COMMITTEE

Title:	Risk Management Report (Open Session)
Author:	Neil T. Ackers, Risk and Business Continuity Lead
Purpose of the report:	To provide the Joint Audit Committee with an update on the Force Risk Appetite for 2022/2023
The report is provided to JAC for: (tick one)	☐ Decision ☐ Discussion ✓ Assurance ✓ Information
Summary / Key Points:	Introduction Risk Approach Risk Areas Risk Levels Changes Risk Appetite
Recommendations:	None
Risk Register Impact:	This report follows an annual review of the Force Risk Appetite by the Risk and Business Continuity Lead, Head of Business Intelligence and Director of Finance
Assurance Implications:	This report is directly relevant to the development of assurance in North Wales Police Risk Management
Equality Impact:	None
Information Exempt from Disclosure:	No

1. **INTRODUCTION**

The purpose of this report is to provide an update to Joint Audit Committee of the Force Risk Appetite 2022/2023 following an annual review by the Risk and Business Continuity Lead, Head of Business Intelligence and Director of Finance.

2. **APPROACH**

The risk appetite was initially created in 2020 and has been further reviewed and supported by Senior Leadership Team (SLT) on 28th June 2022.

3. **RISK AREAS**

The risk areas have been created from common risk areas used across other Forces with an additional Risk Area (Innovation) being added during the consultation process.

4. **RISK LEVELS**

The risk levels from Averse to Hungry were sourced from HM Treasury Risk Guidance publications.

Review of the mapped Risk Areas and Risk Levels

- Review undertaken by Director of Finance, Head of Business Intelligence and Risk and Business Continuity Lead.
- Consultation has taken place with SLT Senior Leadership Team (SLT) on 28th June 2022 and the revised 2022/2023 risk appetite supported.
- Revised risk appetite submitted to Joint Audit Committee for information and assurance.
- The Risk Management and Assurance Mapping Framework has been updated (v1.7) with the revised risk appetite.

5. CHANGES

The following changes have been made:

- Addition of 'Innovation' under Risk Category 'Governance' with a Risk Level of 'Hungry'

Risk Category	Risk Area	Risk Level
Governance	**Partnerships / Collaborations -** We are willing to take risks in pursuit of partnership / collaboration developments that have the potential to deliver higher benefits.	Open
	Internal Governance - We will ensure that decision making is done in a structured and evidenced manner that all understand and participate in.	Cautious
	Innovation - We will actively pursue innovative opportunities recognising that this is an important aspect of the organisation's future success. We will also recognise that as we pursue these innovative opportunities failures may result and we will learn from these events rather than be deterred by them.	Hungry

6. FORCE RISK APPETITE

NWP's current risk appetite is stated as 'OPEN'; the Chief Constable is willing to consider all options and choose the one that is most likely to result in successful delivery, minimising residual risk as far as possible, while also providing an acceptable level of business benefit. This position falls satisfactorily within the overarching vision of Making North Wales the Safest Place in the UK.

While the diagrams at 4.4 and 5.11 illustrate the agreed triggers for escalation; de-escalation and reporting, it is accepted that the risk appetite below may change in response to particular circumstances or the general operating environment.

Risk Level	Description
Averse	Avoidance of risk and uncertainty is a key organisational objective.
Minimalist	Preference for ultra - safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.
Cautious	Preference to safe delivery options that have a low degree of residual risk and may only have limited potential for reward.
Open	Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.)
Hungry	Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

The chart below reinforces NWP's risk appetite on certain risk areas.

Risk Category	Risk Area	Risk Level
Strategy	**Strategic Planning Alignment -** We will have a planning process that ensures resources and investments are strategically aligned, with rigorous governance and a full evidence base to support decisions.	Cautious
Governance	**Partnerships / Collaborations -** We are willing to take risks in pursuit of partnership / collaboration developments that have the potential to deliver higher benefits.	Open
	Internal Governance - We will ensure that decision making is done in a structured and evidenced manner that all understand and participate in.	Cautious
	Innovation - We will actively pursue innovative opportunities recognising that this is an important aspect of the organisation's future success. We will also recognise that as we pursue these innovative opportunities failures may result and we will learn from these events rather than be deterred by them.	Hungry

Operations	**Public Safety -** We will take action to avoid or mitigate risks that impact on public safety.	Averse
	Staff/Officers – Fraud and Corruption - We have no appetite for any fraud or corruption perpetrated by our officers or staff.	Averse
	Public Experience / Satisfaction - Public experience / satisfaction is very important to us; in a changing environment we are prepared to be innovative and forward-thinking. We are prepared to take some risks providing there is an operational/financial benefit.	Cautious
Legal	**Compliance (Legal / HO / IOPCC / HMIC) -** We will give due consideration to guidance, recommendations and non-statutory regulations taking into account local circumstances and the needs of the public of North Wales when making our decisions.	Cautious
	Data Protection/GDPR Compliance - We will ensure the Force meets all requirements of the data protection act whilst acknowledging that policing business still needs to be undertaken efficiently.	Cautious
Financial	**Financial Management -** We need to ensure that resources are aligned to strategic objectives, that we have a balanced and sustainable budget and provide VFM in delivering services.	Cautious
	Treasury Management	Averse
Commercial	**Ethical and Reliable Supply Chain -** We will ensure through rigorous procurement processes that ethical and reliability considerations are fully explored for all supply chains.	Cautious
	Contract Management - We will regularly review the most valuable/critical contracts to ensure they are providing value for money and remain fit for purpose.	Cautious
People	**Staff and Officer Wellbeing -** The health and safety of our staff is important to the delivery of effective and efficient policing in North Wales. We will provide the tools (risk assessments; dynamic risk assessment; training; and equipment) for staff to take managed and acceptable risks.	Cautious
	Resource Levels and Management - We will actively monitor and manage resource levels in front line roles to ensure desirable staffing levels are maintained for the safety of the public and staff.	Cautious

Technology	**ICT Continuity of service for Force Critical Functions -** Where ICT supports Force Critical Functions, we will ensure measures are in place to ensure continuity of service in the event of disruption.	Averse: CAD/Life X Minimalist: RMS
Information	**Internal Information Sharing -** We will ensure that guidance is provided for staff to ensure that information is shared in a manner such that restricted information is not shared whilst ensuring police business can be undertaken effectively and efficiently.	Cautious
	Partnership Information Sharing - We will put in place information sharing agreements with Partners to ensure information is shared in a secure manner.	Minimalist
	AI Ethics - The Force will ensure that all AI related software or developments are assessed for bias through the Force governance structure including public scrutiny through the ethics committee.	Cautious
Security	**IT and Cyber Security -** We have a very low appetite for risks to the network and availability of systems that support our critical functions; we have a very low appetite for threats to our assets arising from external malicious attacks.	Averse
	Site Security - Ensuring our sites are physically secure is important to maintain security of information and ICT equipment, and we will maintain all required access restrictions and use of appropriate identification to support this.	Cautious
Project / Programme	**Business Change -** We are open to taking some risk in order to ensure we remain focussed on the future. Business change can be achieved by developing new and innovative ways of managing our services and includes investment in new technologies and IT development.	Open
Reputational	**Reputation -** We are willing to accept some risks to reputation if there is clear potential for the benefits to outweigh the risks. Our willingness to take risks is limited to those situations where there is little chance of significant repercussions for the force should there be a failure. Our reputation is enhanced by our positive attitude towards Social Value and our risk appetite in other areas.	Open
	Staff / Officers - Unethical Behaviour - Where appropriate we will educate and advise staff / officers whose behaviour falls short of the high standards expected.	Cautious

JOINT AUDIT COMMITTEE

Title:	Annual Review of Force Risk Management and Assurance Mapping Framework (Open Session)
Author:	Neil T. Ackers, Risk and Business Continuity Lead
Purpose of the report:	To provide the Joint Audit Committee with an update on the Force Risk Management and Assurance Mapping Framework
The report is provided to JAC for: (tick one)	☐ Decision ☐ Discussion ✓ Assurance ✓ Information
Summary / Key Points:	The Force Risk Management and Assurance Mapping Framework was presented to the Senior Leadership Team (SLT) on 28th June and has been fully supported.
Recommendations:	None
Risk Register Impact:	This report follows an annual review of the Force Risk Management and Assurance Mapping Framework by the Risk and Business Continuity Lead
Assurance Implications:	This report is directly relevant to the development of assurance in North Wales Police Risk Management
Equality Impact:	None
Information Exempt from Disclosure:	No

1. APPROACH

The Force Risk Management and Assurance Mapping Framework was created in February 2020 which details NWP's Risk Management Processes. The recommended review date would normally be 3 years but as NWP's Risk Management processes are reviewed annually, the Framework document is regularly reviewed and updated by the Risk and Business Continuity Lead.

2. CHANGES

The following changes have been made since the publication of the Risk Management and Assurance Mapping Framework:

Version No	Date	Author	Changes
0.1		Sian Wyn Jones	Transferred from Policy format (v0.5)
0.2		Sian Wyn Jones	Minor amendment from Ch Supt Corporate Services
0.3		Sian Wyn Jones	Reference to it being a joint framework between NWP and OPCC
1.0		Sian Wyn Jones	Agreed at Assurance Board 24/02/2020
1.1		Neil Ackers	Para 3.13 added re. Assurance Board Terms of Reference and amended reference to Risk & Business Continuity Coordinator to Risk & Business Continuity Lead throughout.
1.2		Sian Wyn Jones	Pic updated in 5.11 to reflect updated governance structure
1.3		Sian Wyn Jones	Section 4.6 updated
1.4	09/08/21	Neil T. Ackers	Section 5.5 Risk Wording updated from "If (EVENT), then (CONSEQUENCE) to "There is a Risk ………. Caused by …….. Which may result in ……….."
1.5	19/11/21	Neil T. Ackers	Framework reviewed and updated
1.6	06/06/22	Neil T. Ackers	Section 4.6 updated (Innovation added)

Full version of Force Risk Management and Assurance Mapping Framework v1.7 below

HEDDLU GOGLEDD CYMRU
NORTH WALES POLICE

RISK MANAGEMENT AND ASSURANCE MAPPING FRAMEWORK

FRAMEWORK

Document Type:	Framework
Framework Owner:	Head of Corporate Services
Department:	Corporate Services
Framework Writer:	Business Continuity and Risk Co-ordinator
Version:	1.7
Effective Date:	25/02/2020
Recommended Review Date:	25/02/2023

Version No	Date	Author	Changes
0.1		Sian Wyn Jones	Transferred from Policy format (v0.5)
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1.5	19/11/21	Neil T. Ackers	Framework reviewed and updated
1.6	06/06/22	Neil T. Ackers	Section 4.6 updated (Innovation added)
1.7	01/07/22	Neil T. Ackers	Section 3.3 amended. 'As Force SIRO, the Director of Finance and Resources is responsible for providing scrutiny for information security risks'.

CONTENTS

1. INTRODUCTION & PURPOSE

1.1 **Risk Management**

Risk Management is fundamental to any organisation's strategic management process and is a part of internal control systems.

North Wales Police (NWP) and the Office of the Police and Crime Commissioner (OPCC) have a duty to manage risk effectively to

- Maintain confidence in the force
- Safeguard public confidence and integrity
- Ensure the delivery of the police and crime plan objectives

Risk Management enables both to understand acceptable levels of risk and take a planned and systematic approach to the identification, evaluation and control of the risks that can threaten the Force.

The processes in place to manage risk within NWP:

- ensures the Force has strategic direction for risk management and seeks to achieve successful outcomes;

- provides clear and consistent standards for the management of risks that contribute to and support the Police and Crime Commissioner's (PCC) police and crime plan objectives and the efficient running of the Force;

- ensures risk management is integrated in the culture of the Force, by informing all officers and staff of their responsibilities in relation to risk management; and

- ensures the Force has up to date and live records relating to the highest risks affecting the Force.

2. TARGET AUDIENCE

2.1 This framework is a joint framework between NWP and OPCC and should therefore be used by all officers and staff of both North Wales Police and the Office of the Police and Crime Commissioner. It is vital that everyone understands the role they play in effective risk management.

3. ROLES AND RESPONSIBILITIES

3.1 The **Police and Crime Commissioner** is responsible for risk management within the OPCC; however this is delegated to the OPCC Chief Executive and Chief Finance Officer.

3.2 The **OPCC Chief Executive and Chief Finance** hold delegated responsibility for OPCC risk management.

3.3   The **Deputy Chief Constable** is responsible for NWP risk management; however this is delegated to the Risk and Business Continuity Lead. As Force SIRO, the Director of Finance and Resources is responsible for providing scrutiny for information security risks.

3.4   The **Risk and Business Continuity Lead** is responsible for the administration of the risk processes which includes providing support and guidance to risk leads. The Risk and Business Continuity Lead will also provide regular reports to SMT's, Force Strategic Committees and Joint Audit Committee.

3.5   The **Senior Management Team (SMT) / Risk Owner** will collectively own risks. They will ensure risk is a standing agenda item at all SMT Meetings and will monitor and challenge the performance of risks, ensuring they liaise with Risk Leads as and when necessary. The SMT/Risk Owners will consider all new/emerging risk and determine through the risk scoring process with the Risk and Business Continuity Lead if the recording threshold is met or not. For project risks, this will be the role of the Project and Programme Boards.

3.6   The **Risk Lead** (not to be mistaken for the Risk and Business Continuity Lead) is the officer or staff member that is in the best position to actively influence the management of the risk. The Risk Lead is responsible for allocating actions, coordinating updates and regularly reviewing and updating risks to the Risk and Business Continuity Lead.

3.7   **Action Owners** may differ from the Risk Lead, and may be tasked by the risk lead to provide controls/mitigations to reduce the risk levels. There may be several different Action Owners for one risk. Action Owners are responsible for progressing any actions associated to a risk and updating the Risk and Business Continuity Lead.

3.8   The **Strategic Management Board** will regularly review the risk register and provide strategic oversight of all NWP 'high' and 'critical' risks. For project risks, this will be the role of the Programme Board.

3.9   A **Force Committee, i.e. Strategic Operational Board** will provide a second level of scrutiny for all recorded risks under their remit and will challenge, when appropriate, the decisions made at SMT level.

3.10   The **Joint Audit Committee** are responsible for considering the effectiveness of the OPCC and the Chief Constable's risk management arrangements by regularly reviewing risks recorded on the risk register and undertaking deep dives.

3.11   **Internal Audit** will provide independent assurance that risk management, governance and internal controls are operating effectively.

3.12   **Audit Wales** will provide further independent assurance that risk management, governance and internal controls are operating effectively.

3.13   **Assurance Board** will provide a single point for managing all assurance related matters i.e. policies, risk management and business continuity management. The Board will provide the Force with reassurance that there is sufficient evidence that the right level of assurance is in place in the right areas. The Assurance Board will be the final ratification point for all policies**.**

4.   RISK MANAGEMENT IN NWP

4.1   **Risk Management**

Risk management is a continuous process that runs through the whole Force and helps to reduce potential harms and risks.

Risk management is about making the most of opportunities, making the right decisions and achieving objectives once those decisions are made. A failure to manage risk effectively could result in financial losses, disruption to services, threats to public health & safety, bad publicity or claims for compensation.

There are both positive and negative aspects of risk; risk taking offers the possibility of harm but also the chance of success. As well as the threats, risk management can identify opportunities which contribute to the effectiveness of performance delivery.

Positive activity should be considered, recorded and offset against negative impacts. Positive activity, continuous improvement and lessons arising from good practise can highlight opportunities.

The below represents the 7R's and 4T's of risk management as noted in the ISO31000 and NWP risk arrangements follows this model.

```
┌─────────────────────────────────────┐
│      1. Recognition of Risks         │
└─────────────────────────────────────┘
                  ↓
┌─────────────────────────────────────┐
│        2. Ranking of Risks           │
└─────────────────────────────────────┘
                  ↓
┌─────────────────────────────────────┐
│      3. Responding to Risks          │
│          • Tolerate                  │
│          • Treat                     │
│          • Transfer                  │
│          • Terminate                 │
└─────────────────────────────────────┘
                  ↓
┌─────────────────────────────────────┐
│      4. Resourcing Controls          │
└─────────────────────────────────────┘
                  ↓
┌─────────────────────────────────────┐
│       5. Reaction Planning           │
└─────────────────────────────────────┘
                  ↓
┌─────────────────────────────────────┐
│       6. Reporting on Risk           │
└─────────────────────────────────────┘
                  ↓
┌─────────────────────────────────────┐
│     7. Reviewing and Monitoring      │
└─────────────────────────────────────┘
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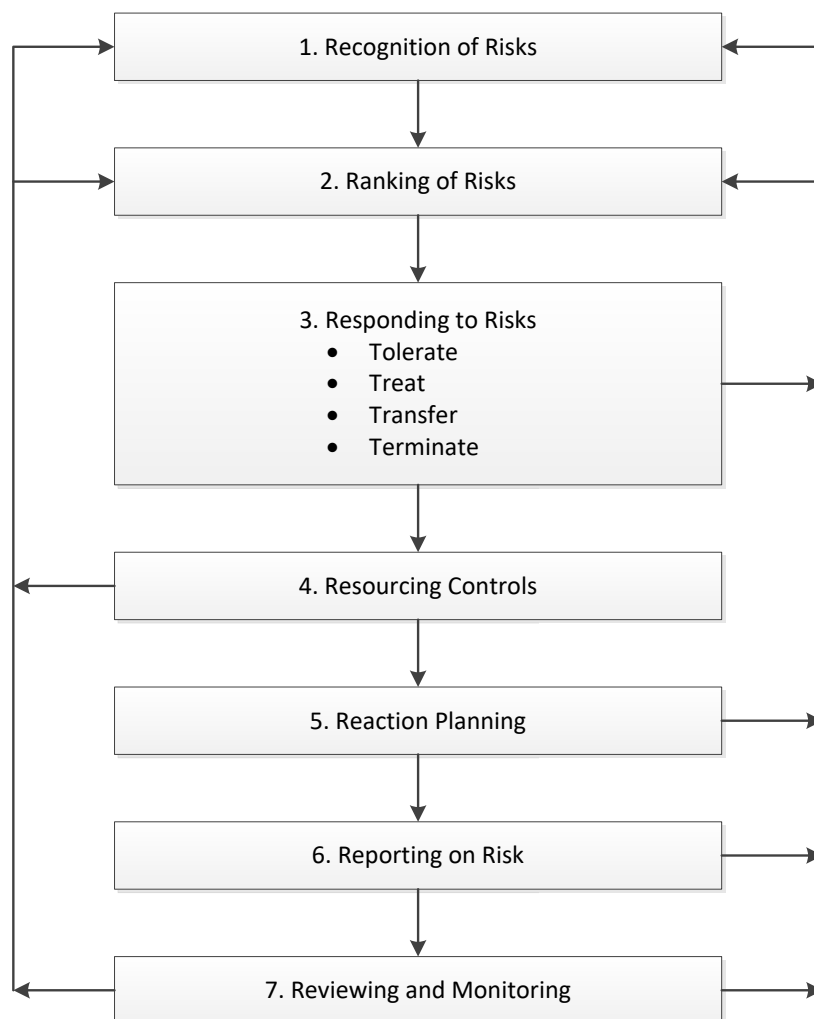
Type of control action   The following assists in determining if a risk needs to be controlled using the 4 Ts process.
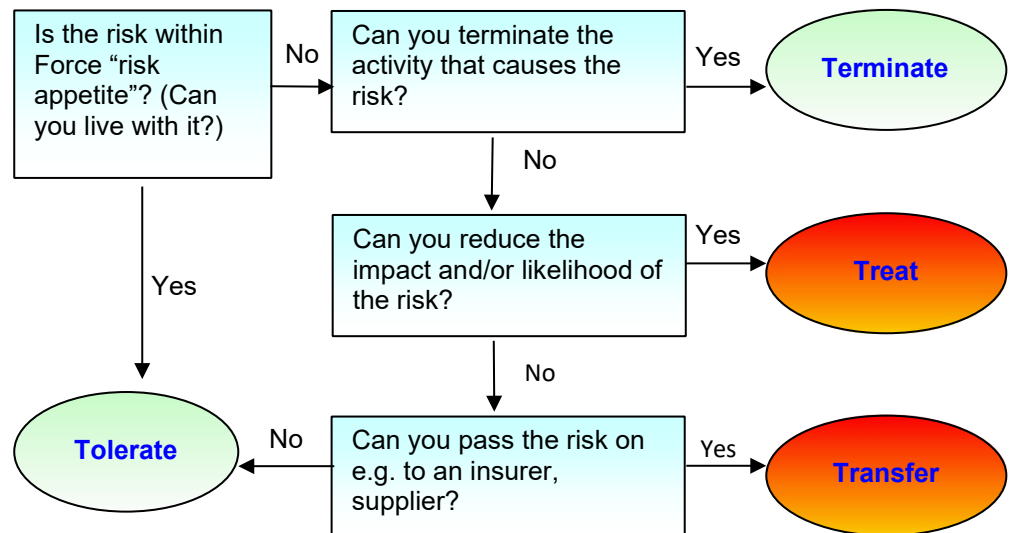
The "**4 Ts**" are:

- **Terminate**   the activity that causes the risk;
- **Treat**   the likelihood and/or impact to reduce them;
- **Transfer**   the risk to another party; or
- **Tolerate**   the risks which are acceptable or which remain.

4.2   **APP Risk Principles**

NWP adhere to the College of Policing's APP risk principles which should underpin all considerations of risk and can be found here.

4.3   **What is a Risk?**

A risk can be defined as an uncertain event which, should it occur, will have an effect on the achievement of the Police and Crime Plan objectives. A risk can be either a threat or an opportunity.

Risks should be highlighted where they will affect the Forces' capacity or capability to achieve the Police and Crime Plan objectives.

4.4   **When Do Risks Need To Be Recorded?**

Across the organisation officers and staff are managing risk effectively as part of their day to day activities; this framework does not impact on that activity. Whilst the general principles outlined in this document may support that activity, the processes outlined at section 5 only applies to those risks that meet the threshold through a Risk Scoring Process.

The PESTELOM model (source: College of Policing) identifies areas that support identification of risks and should be considered when applying the threshold below:

- Political
- Economic
- Social
- Technological
- Environmental
- Legal
- Organisational
- Media

4.5 **National Decision Model (NDM)**

The following diagram illustrates how the NDM can be used to support an objective approach to risk management. Further information on the NDM can be found here.

4.6 **Risk Appetite**

NWP's current risk appetite is stated as 'OPEN'; the Chief Constable is willing to consider all options and choose the one that is most likely to result in successful delivery, minimising residual risk as far as possible, while also providing an acceptable level of business benefit. This position falls satisfactorily within the overarching vision of Making North Wales the Safest Place in the UK.

While the diagrams at 4.4 and 5.11 illustrate the agreed triggers for escalation; de-escalation and reporting, it is accepted that the risk appetite below may change in response to particular circumstances or the general operating environment.

Risk Level	Description
Averse	Avoidance of risk and uncertainty is a key organisational objective.
Minimalist	Preference for ultra - safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.
Cautious	Preference to a safe delivery options that have a low degree of residual risk and may only have limited potential for reward.
Open	Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.)
Hungry	Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

The chart below reinforces NWP's risk appetite on certain risk areas.

Risk Category	Risk Area	Risk Level
Strategy	**Strategic Planning Alignment -** We will have a planning process that ensures resources and investments are strategically aligned, with rigorous governance and a full evidence base to support decisions.	Cautious
Governance	**Partnerships / Collaborations -** We are willing to take risks in pursuit of partnership / collaboration developments that have the potential to deliver higher benefits.	Open
	Internal Governance - We will ensure that decision making is done in a structured and evidenced manner that all understand and participate in.	Cautious
	Innovation - We will actively pursue innovative opportunities recognising that this is an important aspect of the organisation's future success. We will also recognise that as we pursue these innovative opportunities failures may result and we will learn from these events rather than be deterred by them.	Hungry
Operations	**Public Safety -** We will take action to avoid or mitigate risks that impact on public safety.	Averse
	Staff/Officers – Fraud and Corruption - We have no appetite for any fraud or corruption perpetrated by our officers or staff.	Averse
	Public Experience / Satisfaction - Public experience / satisfaction is very important to us; in a changing environment we are prepared to be innovative and forward-thinking. We are prepared to take some risks providing there is an operational/financial benefit.	Cautious
Legal	**Compliance (Legal / HO / IOPCC / HMIC) -** We will give due consideration to guidance, recommendations and non-statutory regulations taking into account local circumstances and the needs of the public of North Wales when making our decisions.	Cautious
	Data Protection/GDPR Compliance - We will ensure the Force meets all requirements of the data protection act whilst acknowledging that policing business still needs to be undertaken efficiently.	Cautious
Financial	**Financial Management -** We need to ensure that resources are aligned to strategic objectives, that we have a balanced and sustainable budget and provide VFM in delivering services.	Cautious
	Treasury Management	Averse
Commercial	**Ethical and Reliable Supply Chain -** We will ensure through rigorous procurement processes that ethical and reliability considerations are fully explored for all supply chains.	Cautious

Risk Category	Risk Area	Risk Level
	Contract Management - We will regularly review the most valuable/critical contracts to ensure they are providing value for money and remain fit for purpose.	Cautious
People	**Staff and Officer Wellbeing -** The health and safety of our staff is important to the delivery of effective and efficient policing in North Wales. We will provide the tools (risk assessments; dynamic risk assessment; training; and equipment) for staff to take managed and acceptable risks.	Cautious
	Resource Levels and Management - We will actively monitor and manage resource levels in front line roles to ensure desirable staffing levels are maintained for the safety of the public and staff.	Cautious
Technology	**ICT Continuity of service for Force Critical Functions -** Where ICT supports Force Critical Functions we will ensure measures are in place to ensure continuity of service in the event of disruption.	Averse: CAD/Life X Minimalist: RMS
Information	**Internal Information Sharing -** We will ensure that guidance is provided for staff to ensure that information is shared in a manner such that restricted information is not shared whilst ensuring police business can be undertaken effectively and efficiently.	Cautious
	Partnership Information Sharing - We will put in place information sharing agreements with Partners to ensure information is shared in a secure manner.	Minimalist
	AI Ethics - The Force will ensure that all AI related software or developments are assessed for bias through the Force governance structure including public scrutiny through the ethics committee.	Cautious
Security	**IT and Cyber Security -** We have a very low appetite for risks to the network and availability of systems that support our critical functions; we have a very low appetite for threats to our assets arising from external malicious attacks.	Averse
	Site Security - Ensuring our sites are physically secure is important to maintain security of information and ICT equipment, and we will maintain all required access restrictions and use of appropriate identification to support this.	Cautious
Project / Programme	**Business Change -** We are open to taking some risk in order to ensure we remain focussed on the future. Business change can be achieved by developing new and innovative ways of managing our services and includes investment in new technologies and IT development.	Open

Risk Category	Risk Area	Risk Level
Reputational	**Reputation -** We are willing to accept some risks to reputation if there is clear potential for the benefits to outweigh the risks. Our willingness to take risks is limited to those situations where there is little chance of significant repercussions for the force should there be a failure. Our reputation is enhanced by our positive attitude towards Social Value and our risk appetite in other areas.	Open
	Staff / Officers - Unethical Behaviour - Where appropriate we will educate and advise staff / officers whose behaviour falls short of the high standards expected.	Cautious

4.7   **Risk Scoring Process**
A risk scoring meeting must take place with the Risk and Business Continuity Lead when a potential risk has been identified.

Section 5.14.5 details a template used during the risk scoring process. It is completed by the Risk and Business Continuity Lead at the time, and in consultation with the individual presenting the risk being considered for recording onto the Force Risk Register.

4.7.1   **Before Controls Level Scoring Matrix**
A risk identified through SMT, Strategic Board or by any other means will be scored against the following 'Before Controls Level Scoring Matrix' with the support and assistance of the Risk and Business Continuity Lead.

BEFORE CONTROLS Risk Scoring Matrix Recording/Reporting Route	Probability				
	Negligible Score 1 Rare, may occur in exceptional circumstances. No or little experience for a similar failure.	**Low Score 2** Might occur at some point in time. Conditions do exist for this to occur, but controls exist and are effective.	**Medium Score 3** Could occur, this is possible. Measures to reduce likelihood exist but may not be fully effective.	**High Score 4** Will probably occur, measures may or may not exist to reduce likelihood.	**Critical Score 5** Is expected to occur, almost certain.
Critical – Score 5 May cause key objectives to fail. Very **significant** impact on organisational goals. A major effect on the organisation/communities.	**MEDIUM** SMT - If cannot be managed by single SMT, should be escalated to Force Risk Register	**MEDIUM** SMT - If cannot be managed by single SMT, should be escalated to Force Risk Register	**HIGH** Record Force Risk Register. Report to SMT and Force Committee	**CRITICAL** Record Force Risk Register. Report to SMT and relevant Force Committee	**CRITICAL** Record Force Risk Register. Report to SMT and relevant Force Committee
High – Score 4 Risk factor may lead to significant delays or non-achievement of objectives. An event which has a high impact on the organisation and / or a serious effect on a Service Ares or Department.	**LOW** Managed by individual or team. If necessary, may be referred to SMT for management at that level	**MEDIUM** SMT - If cannot be managed by single SMT, should be escalated to Force Risk Register	**HIGH** Record Force Risk Register. Report to SMT and relevant Force Committee	**HIGH** Record Force Risk Register. Report to SMT and relevant Force Committee	**CRITICAL** Record Force Risk Register. Report to SMT and relevant Force Committee
Medium – Score 3 **Moderate** effect. Risk factor may lead to delays or increase in cost. An event that has an overall medium effect on the organisation or the outcome of which significantly affects a unit or section.	**LOW** Managed by individual or team. If necessary, may be referred to SMT for management at that level	**LOW** Managed by individual or team. If necessary, may be referred to SMT for management at that level	**MEDIUM** SMT - If cannot be managed by single SMT, should be escalated to Force Risk Register	**HIGH** Record Force Risk Register. Report to SMT and relevant Force Committee	**HIGH** Record Force Risk Register. Report to SMT and relevant Force Committee
Low – Score 2 Some impact of the risk, **fairly minor**. An event that has an overall minor effect on the organisation but the outcome effects individual or unit level only.	**NEGLIGIBLE** Managed by Individual/team	**LOW** Managed by individual or team. If necessary, may be referred to SMT for management at that level	**LOW** Managed by individual or team. If necessary, may be referred to SMT for management at that level	**MEDIUM** SMT - If cannot be managed by single SMT, should be escalated to Force Risk Register	**MEDIUM** SMT - If cannot be managed by single SMT, should be escalated to Force Risk Register
Negligible – Score 1 Some impact of the risk, but **negligible.** The outcome effects individuals or small unit only.	**NEGLIGIBLE** Managed by Individual/team	**NEGLIGIBLE** Managed by Individual/team	**LOW** Managed by individual or team. If necessary, may be referred to SMT for management at that level	**LOW** Managed by individual or team. If necessary, may be referred to SMT for management at that level	**MEDIUM** SMT - If cannot be managed by single SMT, should be escalated to Force Risk Register

4.7.2 **Risk Threshold for recording on the Force Risk Register**

A risk that has 'Before Controls Level' score of **MEDIUM**, will be referred back to the relevant SMT or Strategic Board for approval to either manage the risk locally or esclate to record on the Force Risk Register.

If the SMT or Strategic Board decide the risk will be managed locally, the considered risk and supporting documents will be recorded on the Risk Management Sharepoint Site and filed under folder Considered and Unapproved Risks.

Any risk not escalated onto the Force Risk Register will then undergo an assurance mapping process with members of the Assurance Team to ensure the controls presented at the risk scoring stage are in place and effective.

Any risk that has a 'Before Controls Level' score of **HIGH** or **above**, will always be escalated and recorded on the Force Risk Register.

4.7.3 **Present and Target Risk Level Scoring Matrix**

A risk that meets the threshold of recording on the Force Risk Register will be scored against the below 'Present and Target Risk Level Matrix'.

PRESENT & TARGET RISK LEVEL Scoring Matrix	Probability				
	Negligible Score 1 Rare, may occur in exceptional circumstances. No or little experience for a similar failure.	**Low** Score 2 Might occur at some point in time. Conditions do exist for this to occur, but controls exist and are effective.	**Medium** Score 3 Could occur, this is possible. Measures to reduce likelihood exist but may not be fully effective.	**High** Score 4 Will probably occur, measures may or may not exist to reduce likelihood.	**Critical** Score 5 Is expected to occur, almost certain.
Critical – Score 5 May cause key objectives to fail. Very **significant** impact on organisational goals. A major effect on the organisation/communties.	MEDIUM	MEDIUM	HIGH	CRITICAL	CRITICAL
High – Score 4 Risk factor may lead to significant delays or non-achievement of objectives. An event which has a high impact on the organisation and / or a serious effect on a Service Ares or Department.	LOW	MEDIUM	HIGH	HIGH	CRITICAL
Medium – Score 3 **Moderate** effect. Risk factor may lead to delays or increase in cost. An event that has an overall medium effect on the organisation or the outcome of which significantly affects a unit or section.	LOW	LOW	MEDIUM	HIGH	HIGH
Low – Score 2 Some impact of the risk, **fairly minor**. An event that has an overall minor effect on the organisation but the outcome effects individual or unit level only.	NEGLIGIBLE	LOW	LOW	MEDIUM	MEDIUM
Negligible – Score 1 Some impact of the risk, but **negligible.** The outcome effects individuals or small unit only.	NEGLIGIBLE	NEGLIGIBLE	LOW	LOW	MEDIUM

(Impact shown along the left-hand vertical axis)

4.8   Assurance Mapping

Assurance Mapping compliments the Force's risk management approach as an evidence gathering exercise and is structured on the three lines of defence model below.

1st Line of Defence	2nd Line of Defence	3rd Line of Defence
Operational or tactical evidence i.e. procedures, business level monitoring by local management.	Corporate or strategic oversight i.e. Force meetings which oversee and challenge or provide guidance and direction.	External assurance providers i.e. TIAA, Welsh Audit, HMIC who monitor compliance and provide independent challenge and assurance.

Assurance Mapping provides an improved ability to understand and confirm that there are assurances in place over key controls. It also highlights where control gaps exist and therefore allows the Force to address those gaps and will be utilised in the following circumstances:

- Risks that have been Closed and removed from the Force Risk Register
- Risks recorded on the Force Risk Register that are over 12 months old
- Risks that have been scored and considered, but do not meet the threshold for recording on the Force Risk Register

Assurance is fundamental to ensuring a robust governance approach. Assurance aims to provide confidence and evidence and a degree of certainty that the Force knows what is reality. Assurance also enables our regulators and auditors to have confidence that NWP knows where there are vulnerabilities and are therefore able to direct activity appropriately. Assurance provides confidence, evidence and certainty.

Assurance Mapping feeds into governance, policy management and performance management. By managing long term risks which are controlled, through assurance

mapping, it allows the Force to focus time and effort on the live management of dynamic risks.

5.	NWP RISK MANAGEMENT PROCESSES

5.1 **Force Risk Register (FRR)**
All risks that meet the threshold will be recorded on individual risk records and entered onto the Force Risk Register which is managed by the Risk and Business Continuity Lead, based in the Assurance Team, Corporate Services and can be viewed by authorised personnel via the Risk Management SharePoint Site.

Risks that do not meet the threshold, may be recorded in registers held locally however, that is not mandatory. Business Areas intending to establish a local register are encouraged to use an abbreviated version of the Force Risk Register which is available from the Force Risk and Business Continuity Lead on request.

If the SMT or Strategic Board decide the risk will be managed locally, the considered risk and supporting documents will be recorded on the Risk Management Sharepoint Site and filed under folder Considered and Unapproved Risks

5.2 **Risk Types**
Risks can be agreed by SMTs as being either:

- Dynamic
- Static

Dynamic risks should be recorded on the Force Risk Register and reviewed monthly as a minimum.

Static risks should be recorded on the Force Risk Register and reviewed quarterly as a minimum unless there is rationale for reviewing it on a less frequent basis, and in that case, would likely to be better being recorded on the relevant business areas assurance map.

This will enable attention to be focussed where it is most productive at that time.

5.3 **Risk Levels**
Risk level is derived from the potential impact a risk might have combined with the probability that the risk might become reality.

Three risk levels will be assessed for each risk during the Risk Scoring Process with the Risk and Business Continuity Lead

- Before controls – the exposure arising from a specific risk before any action has been taken to manage it. If action has already been taken to manage a risk it should be discounted in arriving at the risk level 'before controls'. This will ensure that assumptions about the effectiveness of actions taken to date are scrutinised and tested. This risk level will tend to remain static throughout the life of the risk though it may be reassessed in light of new information.

- Current – the risk level that exists now, this is a product of the risk level 'before controls' and any actions that have been taken to manage the risk.

- Target – this is the level that the risk is to be managed to, the level deemed acceptable for the Force.

It is the risk level before controls that determines if the risk should be added to the Force Risk Register and the reporting route for that risk. So, if a risk is considered 'high' before controls but has already been managed to 'medium' it will continue to be reported as a 'high' risk throughout its lifetime.

5.4   **Risk Owners**

Force risks will be owned by Senior Management Teams. Project risks will be owned by Project Boards. This will ensure that risks are discussed and assessed collectively and do not represent an individual's viewpoint. It will also reduce the impacts of prolonged absence of individual senior staff.

Where the ownership of a risk is unclear Service Leads will normally be able to discuss and resolve the situation. If that is not possible for any reason then the matter can be referred to the DCC for a decision.

5.5   **Risk Description Wording**

Risks should be clear, specific and as brief as possible. The nature of the risk needs to be understood by people who don't have direct knowledge of the subject matter. The model below is not prescriptive but is simple and can be adapted to most risks that will be recorded.

There is a Risk ………. Caused by …….. Which may result in ………..

*E.g. **There is a Risk** if policies and procedures are not updated and maintained as required **Caused by** an inefficient reporting, recording and monitoring system **which may result in** officers/staff acting on incorrect or out of date information giving rise to complaints and legal action*

5.6   **Risk Actions**

Adding a risk to the Force Risk Register is not an end in itself, actions to be taken to mitigate the risk and progress in completing them must be clearly articulated by the Action Owners and reported to the Risk and Business Continuity Lead either on a quarterly basis for STATIC risks or monthly basis for DYNAMIC risks.

5.7   **Closing Risks**

When a risk has been managed to an acceptable level (usually the target level) or the circumstances around it have improved sufficiently that the mitigations/controls now in place are effective, the risk may be considered for closure.

The SMT or Project Board that own the risk must approve closure and allocate an action to the Risk Lead to ensure the Risk and Business Continuity Lead is updated with the rationale around the SMT/Board decision to close the risk.

The Risk and Business Continuity Lead will close the Risk once in recept of all the information, update the risk record, remove from the Force Risk Register and arrange for the closed risk to be subject of the assurance mapping process.

Where there are open risks at the point that a project closes then the risks will be referred to the relevant SMT for decisions on the future management of that/those risk(s).

Closed risks will not be reopened. If a risk becomes active again it must be recorded as a new risk.

5.8   **Partnership/Collaboration**
Where risks relate to projects or programmes that are being undertaken in collaboration either with other forces or other organisations then there is no obligation to record risks on the NWP Force Risk Register; there is an expectation that those risks will be managed on an independent register.

Risks recorded and managed on this basis can be transferred to the NWP Force Risk Register if the circumstances warrant it. Alternatively such a risk can be rewritten to capture the particular risks that are posed for the Force.

5.9   **Programme and Project Risk Management**
All risks relating to programmes and projects are managed by the Portfolio Management Office. Risks deemed to impact the Force's ability to meet its objectives by the SRO will be escalated and recorded on the Force Risk Register. This will be a decision made at the Project or Programme Board.

Monthly meetings take place between the Risk and Business Continuity Lead and Corporate Head of Change to review risks recorded within the Portfolio Management Office and those on the Force Risk Register to ensure risks are recorded and managed appropriately.

5.10   **Duplication**
Where there is a legal or business requirement to record and maintain risks elsewhere there will generally not be a requirement to duplicate them in the Force Risk Register, as an example the Treasury Management Strategy and the Medium Term Financial Plan include detailed financial risk analysis which is not replicated on the Force Risk Register.

However, there is nothing to prevent such risks, with SMT approval, from being transferred to or duplicated in the Force Risk Register when appropriate.

5.11   **Risk Reports**
Risks will be reported on to a variety of meetings and strategic committees by the Risk and Business Continuity Lead. The reporting process allows for risks recorded on the Force Risk Register to be scrutinised and challenged with a strategic oversight. It also provides reassurance that NWP have robust risk management processes in place.

Risk must be a standing agenda item at SMT and Strategic Committee meetings. Programme and Project risks recorded on the Force Risk Register are also reported to Change and Collaboration Board.

5.12   **Record Retention**
Risk records – full version history will be retained while a risk is open. When a risk is closed only the last version will be archived, all other versions will be disposed of. The archived final version will be held for two years from the date the risk is closed.

Risk Register - the register does not hold original information; a full version history will be retained for twelve months, any version more than twelve months old will be disposed of.

Project Risks – full version history will be retained while a risk is open. When a risk is closed only the last version will be archived, all other versions will be disposed of. The

final version of project risks will be retained for the same period as final project documentation, normally five years.

5.13 **Assurance Mapping**

The Assurance Team will be responsible for creating the assurance map with the relevant Risk Leads. Assurance maps will record details of the risk description, controls in place to mitigate the risk and evidence to demonstrate that the controls are effective. The Assurance maps will also highlight any risks with cross cutting themes by using the following tags

- Reputation
- Health & Safety
- Finance
- IT
- Information Security
- Training

This will ensure any cross cutting themes are identified and reported to the most relevant meetings.

Any areas of weakness identified during the assurance map exercise will be addressed by an accompanying action plan.

Completed assurance maps and accompanying action plans should be reviewed at SMT meetings. They should also be reported to the Strategic Management Board on a quarterly basis so progress against action plans can be monitored.

Assurance maps should be live working documents for risks recorded on the Force Risk Register for more than 12 months.

Assurance Maps will be completed for risks that are Closed and removed from the Force Risk Register and annually reviewed by the relevant Risk Lead and SMT to record any changes.

Assurance Maps will be completed for considered risks

5.14   Process Flowcharts

5.14.1   Process for New Risk Identification

Process for New Risk Identification

Force Strategic Board identify risk

Individual / Team identify risk

Force Tactical Board identify risk

Refer risk to the most relevant SMT

SMT (not individual) considers risk

Could the risk affect the Forces ability to meet its priorities and objectives?

No further action required

Does the risk have sufficient controls in place to mitigate the risk?

Allocate Risk Lead

Risk Lead creates an assurance map with assistance from the Assurance Team

Does the risk meet the threshold for the Force Risk Register?

Allocate Risk Lead

Assurance Map submitted to the SMT for approval

Risk Lead creates a risk record with assistance from the Assurance Team

Manage locally, document in meeting record (or use risk action plan format (optional))

SMT approves Assurance Map

Risk record submitted to the SMT for approval

Assurance Team adds risk to Assurance Map register

SMT approves risk record

Assurance Team adds risk to risk register

5.14.2 Updating Force Risks/Ongoing Force Risks on the Force Risk Register

Process for Updating a Risk on the Force Risk Register

```
┌─────────────────────────┐
│ Risk Lead provides      │
│ update on the full risk │
│ record at scheduled     │
│ intervals (monthly/     │
│ quarterly)              │
└─────────────────────────┘
             │
             ▼
┌─────────────────────────┐
│ Assurance Team update   │
│ the risk register as    │
│ necessary               │
└─────────────────────────┘
             │
             ▼
┌─────────────────────────┐
│ Assurance Team provide  │
│ regular reports at      │
│ agreed intervals to     │
│ SMT's / Force Strategic │
│ Boards                  │
└─────────────────────────┘
             │
             ▼
```

┌──────────────────────┐   ◇ Has the SMT / Force   ┌──────────────────────┐
│ Action created for   │ ←Yes──   Strategic Boards   ──No→ │ No further action, Risk│
│ Risk Lead / SMT   │   generated a change   │ Lead continues to   │
└──────────────────────┘   or update to the risk   │ update risk as   │
             │   record?   │ appropriate   │
             ▼   └──────────────────────┘
┌──────────────────────┐
│ Risk Lead provides   │
│ Assurance Team with │
│ update in response to│
│ the action at earliest│
│ opportunity   │
└──────────────────────┘

5.14.3 Process for Updating a Risk on the Force Assurance Map Register

Process for Updating a Risk on the Force Assurance Map Register

Assurance Team provide regular reports at agreed intervals to **SMT's** / **Force Strategic Boards**

Has the **SMT** / **Force Strategic Boards** generated a change or update to the Assurance Map?

—No→ No further action

←Yes— **Action created for Risk Lead** / **SMT** to update the Assurance Map with assistance from the **Assurance Team**

Assurance Team update the Assurance Map register as necessary
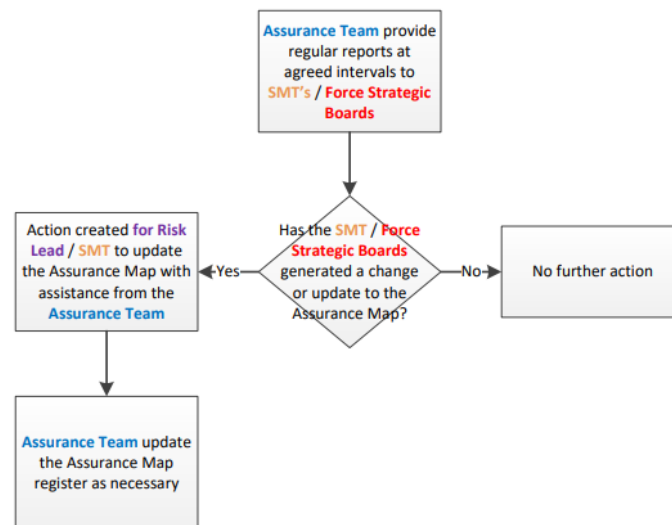
5.14.4 Process for Closing a Risk on the Force Risk Register

Process for Closing a Risk on the Force Risk Register

```
          Risk Lead asks SMT to
              close the risk
                   │
                   ▼
        ┌─────────────────────┐
        │  Does the SMT agree  │
        │  that the risk has   │                  Assurance Team remove
        │ sufficient controls  │──── Yes ────▶    the risk from the Force
        │   in place to        │                     Risk Register
        │   mitigate the risk? │                         │
        └─────────────────────┘                         ▼
                   │                          Assurance Team creates
                   No                         an assurance map with
                   │                          assistance from the Risk
                   ▼                                    Lead
       Action to Risk Lead for                          │
        further work and                                ▼
      continue to follow the             Assurance Map
      Updating/Ongoing risk              submitted to the SMT        No
            process                       for approval
                                                │
                                                ▼
                                        ┌──────────────┐
                                        │ SMT approves │
                                        │ Assurance Map│
                                        └──────────────┘
                                                │
                                               Yes
                                                ▼
                                        Assurance Team adds
                                        risk to Assurance Map
                                             register
```

5.14.5   Risk Scoring Process Meeting Templates

Risk Scoring Process Meeting on ../../21

Persons in attendance:

- Neil T. Ackers, Risk and Business Continuity Lead

Risk Description:

There is a Risk

caused by

which may result in

What is the Force Risk Appetite Statement for this type of Risk?

Scoring Risk Levels

	Impact	Probability	Overall Risk Level
Before controls			
Present with controls			
Target			

Before Controls Level
Impact:

Probability:

OVERALL SCORE LEVEL:

Present Risk Level with Controls
Impact:

Probability:

OVERALL SCORE LEVEL:

Target Risk Level
Impact:

Probability:

OVERALL SCORE LEVEL:

Present Mitigations

Risk Scoring Matrix — BEFORE CONTROLS

BEFORE CONTROLS Risk Scoring Matrix Recording/Reporting Route	Probability				
	Negligible Score 1 Rare, may occur in exceptional circumstances. No or little experience for a similar failure.	**Low** Score 2 Might occur at some point in time. Conditions do exist for this to occur, but controls exist and are effective.	**Medium** Score 3 Could occur, this is possible. Measures to reduce likelihood exist but may not be fully effective.	**High** Score 4 Will probably occur, measures may or may not exist to reduce likelihood.	**Critical** Score 5 Is expected to occur, almost certain.
Critical – Score 5 May cause key objectives to fail. Very **significant** impact on organisational goals. A major effect on the organisation/communities.	**MEDIUM** SMT - If cannot be managed by single SMT, should be escalated to Force Risk Register	**MEDIUM** SMT - If cannot be managed by single SMT, should be escalated to Force Risk Register	**HIGH** Record Force Risk Register. Report to SMT and Force Committee	**CRITICAL** Record Force Risk Register. Report to SMT and relevant Force Committee	**CRITICAL** Record Force Risk Register. Report to SMT and relevant Force Committee
High – Score 4 Risk factor may lead to significant delays or non-achievement of objectives. An event which has a high impact on the organisation and / or a serious effect on a Service Ares or Department.	**LOW** Managed by individual or team. If necessary, may be referred to SMT for management at that level	**MEDIUM** SMT - If cannot be managed by single SMT, should be escalated to Force Risk Register	**HIGH** Record Force Risk Register. Report to SMT and relevant Force Committee	**HIGH** Record Force Risk Register. Report to SMT and relevant Force Committee	**CRITICAL** Record Force Risk Register. Report to SMT and relevant Force Committee
Medium – Score 3 **Moderate** effect. Risk factor may lead to delays or increase in cost. An event that has an overall medium effect on the organisation or the outcome of which significantly affects a unit or section.	**LOW** Managed by individual or team. If necessary, may be referred to SMT for management at that level	**LOW** Managed by individual or team. If necessary, may be referred to SMT for management at that level	**MEDIUM** SMT - If cannot be managed by single SMT, should be escalated to Force Risk Register	**HIGH** Record Force Risk Register. Report to SMT and relevant Force Committee	**HIGH** Record Force Risk Register. Report to SMT and relevant Force Committee
Low – Score 2 Some impact of the risk, **fairly minor**. An event that has an overall minor effect on the organisation but the outcome effects individual or unit level only.	**NEGLIGIBLE** Managed by Individual/team	**LOW** Managed by individual or team. If necessary, may be referred to SMT for management at that level	**LOW** Managed by individual or team. If necessary, may be referred to SMT for management at that level	**MEDIUM** SMT - If cannot be managed by single SMT, should be escalated to Force Risk Register	**MEDIUM** SMT - If cannot be managed by single SMT, should be escalated to Force Risk Register
Negligible – Score 1 Some impact of the risk, but **negligible**. The outcome effects individuals or small unit only.	**NEGLIGIBLE** Managed by Individual/team	**NEGLIGIBLE** Managed by Individual/team	**LOW** Managed by individual or team. If necessary, may be referred to SMT for management at that level	**LOW** Managed by individual or team. If necessary, may be referred to SMT for management at that level	**MEDIUM** SMT - If cannot be managed by single SMT, should be escalated to Force Risk Register

PRESENT & TARGET RISK LEVEL Scoring Matrix

PRESENT & TARGET RISK LEVEL Scoring Matrix	Probability				
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Critical – Score 5 May cause key objectives to fail. Very **significant** impact on organisational goals. A major effect on the organisation/communities.	MEDIUM	MEDIUM	HIGH	CRITICAL	CRITICAL
High – Score 4 Risk factor may lead to significant delays or non-achievement of objectives. An event which has a high impact on the organisation and / or a serious effect on a Service Ares or Department.	LOW	MEDIUM	HIGH	HIGH	CRITICAL
Medium – Score 3 **Moderate** effect. Risk factor may lead to delays or increase in cost. An event that has an overall medium effect on the organisation or the outcome of which significantly affects a unit or section.	LOW	LOW	MEDIUM	HIGH	HIGH
Low – Score 2 Some impact of the risk, **fairly minor**. An event that has an overall minor effect on the organisation but the outcome effects individual or unit level only.	NEGLIGIBLE	LOW	LOW	MEDIUM	MEDIUM
Negligible – Score 1 Some impact of the risk, but **negligible**. The outcome effects individuals or small unit only.	NEGLIGIBLE	NEGLIGIBLE	LOW	LOW	MEDIUM

Risk Appetite

NWP's current risk appetite is stated as 'OPEN'; the Chief Constable is willing to consider all options and choose the one that is most likely to result in successful delivery, minimising residual risk as far as possible, while also providing an acceptable level of business benefit. This position falls satisfactorily within the overarching vision of Making North Wales the Safest Place in the UK.

Risk Level	Description
Averse	Avoidance of risk and uncertainty is a key organisational objective.
Minimalist	Preference for ultra - safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.
Cautious	Preference to a safe delivery options that have a low degree of residual risk and may only have limited potential for reward.
Open	Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.)
Hungry	Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

Risk Category	Risk Area	Risk Level
Strategy	Strategic Planning Alignment - We will have a planning process that ensures resources and investments are strategically aligned, with rigorous governance and a full evidence base to support decisions.	Cautious
Governance	Partnerships / Collaborations - We are willing to take risks in pursuit of partnership / collaboration developments that have the potential to deliver higher benefits.	Open
	Internal Governance - We will ensure that decision making is done in a structured and evidenced manner that all understand and participate in.	Cautious
Operations	Public Safety - We will take action to avoid or mitigate risks that impact on public safety.	Averse
	Staff/Officers – Fraud and Corruption - We have no appetite for any fraud or corruption perpetrated by our officers or staff.	Averse
	Public Experience / Satisfaction - Public experience / satisfaction is very important to us; in a changing environment we are prepared to be innovative and forward-thinking. We are prepared to take some risks providing there is an operational/financial benefit.	Cautious

Risk Category	Risk Area	Risk Level
Legal	Compliance (Legal / HO / IOPCC / HMIC) - We will give due consideration to guidance, recommendations and non-statutory regulations taking into account local circumstances and the needs of the public of North Wales when making our decisions.	Cautious
	Data Protection/GDPR Compliance - We will ensure the Force meets all requirements of the data protection act whilst acknowledging that policing business still needs to be undertaken efficiently.	Cautious
Financial	Financial Management - We need to ensure that resources are aligned to strategic objectives, that we have a balanced and sustainable budget and provide VFM in delivering services.	Cautious
	Treasury Management	Averse
Commercial	Ethical and Reliable Supply Chain - We will ensure through rigorous procurement processes that ethical and reliability considerations are fully explored for all supply chains.	Cautious
	Contract Management - We will regularly review the most valuable/critical contracts to ensure they are providing value for money and remain fit for purpose.	Cautious
People	Staff and Officer Wellbeing - The health and safety of our staff is important to the delivery of effective and efficient policing in North Wales. We will provide the tools (risk assessments; dynamic risk assessment; training; and equipment) for staff to take managed and acceptable risks.	Cautious
	Resource Levels and Management - We will actively monitor and manage resource levels in front line roles to ensure desirable staffing levels are maintained for the safety of the public and staff.	Cautious
Technology	ICT Continuity of service for Force Critical Functions - Where ICT supports Force Critical Functions we will ensure measures are in place to ensure continuity of service in the event of disruption.	Averse: CAD/Life X Minimalist: RMS
Information	Internal Information Sharing - We will ensure that guidance is provided for staff to ensure that information is shared in a manner such that restricted information is not shared whilst ensuring police business can be undertaken effectively and efficiently.	Cautious
	Partnership Information Sharing - We will put in place information sharing agreements with Partners to ensure information is shared in a secure manner.	Minimalist
	AI Ethics - The Force will ensure that all AI related software or developments are assessed for bias through the Force governance structure including public scrutiny through the ethics committee.	Cautious
Security	IT and Cyber Security - We have a very low appetite for risks to the network and availability of systems that support our critical functions; we have a very low appetite for threats to our assets arising from external malicious attacks.	Averse
	Site Security - Ensuring our sites are physically secure is important to maintain security of information and ICT equipment, and we will maintain all required access restrictions and use of appropriate identification to support this.	Cautious
Project / Programme	Business Change - We are open to taking some risk in order to ensure we remain focussed on the future. Business change can be achieved by developing new and innovative ways of managing our services and includes investment in new technologies and IT development.	Open
Reputational	Reputation - We are willing to accept some risks to reputation if there is clear potential for the benefits to outweigh the risks. Our willingness to take risks is limited to those situations where there is little chance of significant repercussions for the force should there be a failure. Our reputation is enhanced by our positive attitude towards Social Value and our risk appetite in other areas.	Open
	Staff / Officers - Unethical Behaviour - Where appropriate we will educate and advise staff / officers whose behaviour falls short of the high standards expected.	Cautious

Date: 27th July 2022

Civil Claims and Employment cases for the period 1st October 2021 – 31st March 2022

The Assistant Force Solicitor, Sarah Hughes manages, handles and oversees all Public Liability and Employers' Liability civil claims issued against North Wales Police.

1.   INTRODUCTION

The purpose of this report is to provide

1)   details of the number of Public Liability and Employers' Liability claims made against the Force in each financial year.
2)   provide a view of any emerging trends.
3)   provide details of monies paid out in settlement in each financial year.

BACKGROUND

The Civil Procedure Rules (CPR) apply to the conduct of civil cases in England and Wales.   Under the Pre-Action Protocol set out in the Rules any prospective claimant is required to serve a letter of claim upon North Wales Police as respondent setting out their claim in full. Accordingly, all claims received by North Wales Police usually comprise a letter of claim alleging a head of damage and requesting compensation. It is a breach of the procedural rules, for proceedings to be issued outside the rules of the pre-action protocol. However it is not uncommon.

Employers' Liability Claims

Employers' Liability claims are those received from employees of the Force (officers and staff) and comprise Personal Injury claims arising out of loss or injury sustained during the course of duty or employment.

Public Liability Claims

Public Liability claims are claims submitted by members of the public. Such claims can comprise allegations of unlawful arrest, false imprisonment, unlawful use of force, damage to property and malicious prosecution.

Vehicle Claims

Vehicle Accident claims are handled by our insurers and our Fleet Department.   Any litigated matters are overseen by the Assistant Force Solicitor as from 1st March 2013. Data held in relation to such claims is held by the Fleet Department.

Legal Department Resilience

Employers' Liability
Our Insurers handle such claims which are overseen by the Assistant Force Solicitor. Some claims are outsourced by Zurich and Gallagher Bassett in the event they become litigated. However all incidents which occur after 1st April 2017 will be dealt with in-house by the Legal Department. This has been agreed with our insurers.

Public Liability
All claims are dealt with and managed by the Assistant Force Solicitor. A minority of these claims are outsourced in the event they become litigated or involve a specialist input. All are overseen by the Force Solicitor.

D E T A I L

From 1st October 2021 – 31st March 2022, 25 letters of claim were received in the Legal Department of which one was an Employers' Liability claim and 24 were Public Liability claims.

The table below, where marked red, shows the total number of claims received during the period 1st October 2021 – 31st March 2022.   Proceedings have been issued in respect of one of the claims received in the last six months.

(TABLE 1) - TOTAL NUMBER OF CLAIMS RECEIVED

Year	Employers' Liability	Public Liability	Total
2016/2017	3	50	53
2017/2018	5	52	57
2018/2019	5	49	54
2019/2020	7	41	48
2020/2021	6	43	49
2021/2022	1	24	25

Details of Public Liability claims received between
1st October 2021 – 31st March 2022 following on from a complaint

Claims received following a complaint	Complaint results	Civil Claim results
4	One complaint upheld 3 complaints not upheld	One claim settled 3 claims defended

(TABLE 2) - TOTAL NUMBER OF LIVE CLAIMS

There are currently 56 live on-going claims being dealt with in the Legal Department. It must be noted that incidents may have occurred in previous years.

The table below shows the number of 'active' claims set against the actual incident year. (An active claim is a claim that remains live and is not yet determined).

Year of Incident	Employers' Liability	Public Liability
1969/1970	0	1
1982/1983	0	1
1999/2000	0	1
2012/2013	0	1
2013/2014	1	1
2014/2015	1	2
2015/2016	0	0
2016/2017	0	1
2017/2018	0	2
2018/2019	2	2
2019/2020	2	7
2020/2021	2	10
2021/2022	1	17
TOTAL	**9**	**46**

TOTAL NUMBER OF LIVE EMPLOYERS' AND PUBLIC LIABILITY CLAIMS: **55**

CURRENT POSITION ON LIVE CIVIL CLAIMS

	Employers' Liability	Public Liability
Proceedings issued	2	9
Claims successfully rebutted but not yet closed	0	19
Claims not yet resolved	8	15
Claims still being investigated/complaints ongoing	1	12

(TABLE 3) - EMPLOYERS' LIABILITY CLAIMS

The table below demonstrates the categories of Employers' Liability claims received during the last six years.

Type of Claim Received	16/17	17/18	18/19	19/20	20/21	21/22
Slips/Trips/Falls	3	1	2	5	3	1
Stress/Bullying	0	0	0	0	0	0
RSI	0	0	0	0	0	0
Hearing Loss	0	0	0	0	0	0
Injury whilst on training course	0	1	3	0	0	0
Other	3	2	0	2	2	0
Injuries to finger/hand	0	1	0	0	1	0
Total	**6**	**5**	**5**	**7**	**6**	**1**

Commentary
The most common type of claims received during the above years were slips, trips and falls.

(TABLE 4) – PUBLIC LIABILITY CLAIMS

The table below demonstrates the most frequently claimed heads of damage of Public Liability claims received during the last six years.   There may be one or more heads of damage in one claim hence the figures do not represent the number of claims received as per Table 1 (previous).

Type of Claim Received	16/17	17/18	18/19	19/20	20/21	21/22
Assault/Battery	11	5	4	3	9	9
Consequential Loss	1	3	0	2	0	2
False Imprisonment	18	8	14	11	12	11
Malicious Prosecution	5	2	0	1	3	0
Negligence	4	4	6	11	4	2
Other	24	23	13	12	21	19
Property Damage/seizure	17	21	24	18	14	4
Trespass to Person	0	3	2	2	4	7
Trespass to Property	6	1	4	2	6	1
Unlawful Arrest	11	4	2	6	6	6
Total	**97**	**74**	**69**	**68**	**79**	**61**

Compensation awarded to Claimants between 1st October 2021 – 31st March 2022

Employers' Liability Claims

Year	Amount
2016/17	£143,648
2017/18	£72,386.12
2018/19	£323,805.86
2019/20	£10,453.97
2020/21	£21,600
2021/22	£0.00

Public Liability Claims

Year	Amount
2016/17	£29,323
2017/18	£24,919.96
2018/19	£22,308.82
2019/20	£14,085
2020/21	£70,017.16
2021/22	£26,870
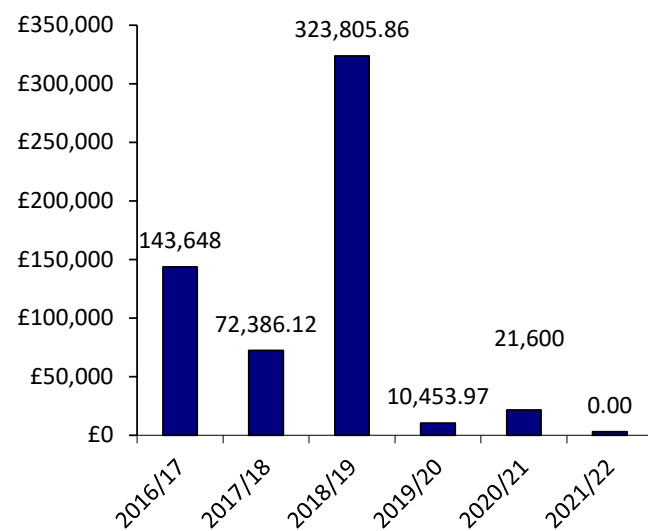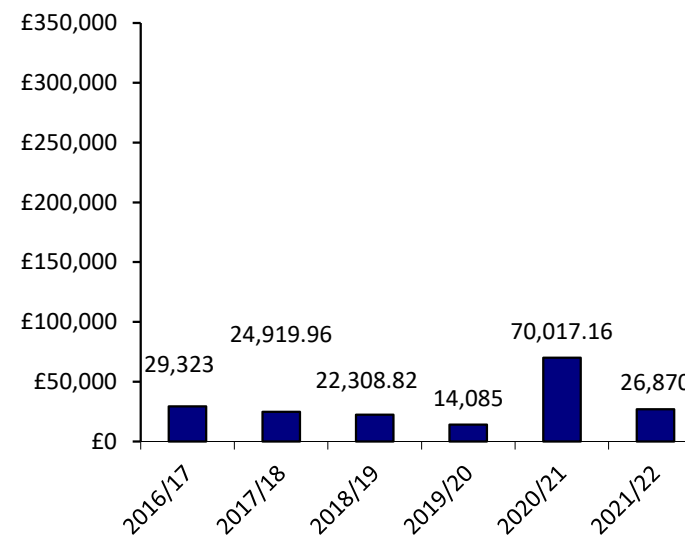
Costs paid to Claimants' Solicitors in relation to settled claims between 1st October 2021 – 31st March 2022

Employers' Liability Claims	Public Liability Claims
£0.00	£40,450.00

North Wales Police's legal costs in relation to settled civil claims finalised between 1st October 2021 – 31st March 2022

Employers' Liability Claims	Public Liability Claims
£0.00	£1220.00

CRU and NHS Payments

Employers' Liability Claims	Public Liability Claims
£0.00	£0.00

Breakdown of claims settled between 1st October 2021 – 31st March 2022

Category	Claim	Number of claims settled
Employers' Liability	Personal injury	0

Category	Claim	Number of claims settled
Public Liability	False imprisonment	2
Public Liability	Negligence	1
Public Liability	Breach Data Protection Act	3

TOTAL NUMBER OF CIVIL CLAIMS CLOSED

The table below provides details of the number of claims which have been
'closed' since 2015. The table provides details of claims settled and where
no settlement has been paid out together with the total for each year.

1st April – 31st March	Settled Claims	No settlements paid	Total closed
2016/2017	10	24	34
2017/2018	20	42	62
2018/2019	15	53	68
2019/2020	16	39	55
2020/2021	20	38	58
2021/2022	5	16	21

As you will see the number of claims "rebutted" where no monies have been paid out usually exceeds those where monies have been paid. These figures reflect the robust stance taken by the Legal Department in relation to the defence of civil claims generally.

Number of Civil Claims Outsourced

Employers' Liability Claims

Year	Number of Claims Received	Number of Claims Outsourced
2016/2017	6	0
2017/2018	5	0
2018/2019	5	0
2019/2020	7	0
2020/2021	6	0
2021/2022	1	0

Public Liability Claims

Year	Number of Claims Received	Number of Claims Outsourced
2016/2017	50	1
2017/2018	52	3
2018/2019	49	1
2019/2020	41	1
2020/2021	43	1
2021/2022	21	1

Employment Matters

Details of Live Employment Claims

Received	Details of Live Claims
2018/2019	1 x Race Discrimination - ongoing.
2020/2021	1 x Disability Discrimination - ongoing. 1 x Sex and Sexual Orientation - ongoing.
2021/2022	1 x Indirection Sex Discrimination and Whistleblowing - ongoing. 1 x Sex Discrimination – ongoing.

Contract and Tender matters for the period 1st October 2021 – 31st March 2022

1.   **SEALING OF DOCUMENTS**

The following documents have been sealed since those reported on in the last report dated 1st October 2021

No of Seal   Nature of Document

No of Seal	Nature of Document
285, 286 287, 288	Two transfers and plans re exchange of parcels of land from Conwy County Borough Council to the PCC for North Wales at Llety'r Dryw and from the PCC for North Wales to Conwy County Borough Council at Llety'r Dryw
289,290	Lease and plan re land to the rear of Terminal 1 Holyhead between (1) Stena Line Parts (2) PCC for North Wales
291,292	Lease and plan re ICT Unit at Terminal 1 Holyhead between (1) Stena Line Ports (2) PCC for North Wales
293	Settlement Agreement re unit 57 Deeside Industrial Park between (1) Threadneedle Pensions Ltd (2) PCC for North Wales
294,295 296,297 298, 299	Licence to Occupy and Carry Out Alterations and plans in duplicate re Muriau Buildings, Rosehill Street, Conwy between (1) Conwy County Borough Council and (2) PCC for North Wales
300	Transfer re Former Gresford Police Station between (1) PCC for North Wales (2) Rachel Lloyd and Kim Jones

2.   **PROPERTY TRANSACTIONS**

Since those reported in the last report dated 1st October 2021 there have been six property transactions

Exchange of land between (1) the PCC for North Wales and (2) Conwy County Borough Council on 29th October 2021 re: straightening boundaries at Llety'r Dryw

Sale of former police station at Benllech between (1) the PCC for North Wales and (2) Wendy Whittle on 4th October 2021

Early access agreement with North Wales Regional Organised Crime Unit (NWROCU) at Saltney Police Station between (1) PCC for North Wales (2) NWROCU care of Merseyside Police dated 4 March 2022

Licence to carry out alterations at Muriau Buildings between (1) Conwy County Borough Council (2) PCC for North Wales dated16th February 2022

Sale of Former Gresford Police Station between (1) PCC for North Wales (2) Rachel Lloyd and Kim Jones dated 24th March 2022

Lease of an office and ICT unit at Holyhead Port between (1) Stena Line Ports (2) PCC for North Wales dated 16th March 2022

3.   **TENDER DOCUMENTS**

The following Tenders with a value over £10,000 which the PCC for North Wales or Chief Constable of NWP is party to are as follows:

No	Subject	Tenderers
168	Architect Services	(1) Douglas Hughes Architects (2) Lawray Architects (3) Lovelock Mitchell Architects
169	Netcom LED Lighting Project	(1) Lloyd Morris Electrical Ltd (2) Owen & Palmer Ltd
170	Telecommunications Mast Remedial Works	(1) LARS Communications Ltd (2) P2ML (3) RS Complete Solutions Ltd

171	Conwy Police Station Relocation and Building Alterations Works	(1) Elate Construction Ltd
		(2) GK Construction & Project Management Ltd
		(3) NWPS Construction Ltd
		(4) ParkCity Multitrade Ltd
172	Website Upgrade for the OPCC	(1) Access Advertising
		(2) Digital Trading Limited
		(3) Simplify Creative
		(4) SSL Wireless
		(5) Zodiac Media Ltd
173	FCIN E Quality Management System/ Case Management System	(1) Black Rainbow Ltd
174	Comprehensive Lift Maintenance	(1) Ace Lifts Ltd
		(2) Allied Lift Services Division (UK) Ltd
		(3) Jackson Lift Service Ltd
		(4) Knowsley Lift Services Ltd
		(5) RJ Lift Services Ltd
		(6) Rubax Lifts Ltd
175	Fleet Management Software System	(1) Assetworks
		(2) Cherin Fleet Solutions
		(3) Civica UK Ltd
		(4) Jaama Ltd
176	Car Wash Consumables and Planned & Reactive Maintenance of Associated Equipment	(1) Bywater Services Ltd
		(2) Car Spa Valeting
		(3) Peter Moss Ltd

4. **CONTRACTS Over £10,000**

The following Contracts with a value over £10,000 which the PCC or Chief Constable is party to:

No	Date	Subject Matter	Parties	Cost (exclusive of VAT)
953	5/10/2021 5/10/2021 20/10/2021	Contract for reactive and planned building repairs/maintenance work	(1) PCC for North Wales (2) WR Peters Limited (3) Gwilym Parry & Son (4) R Roberts & Son Ltd	Commencement date 5/10/2021. Term – 2 years initially with option to extend for further 3 years. Estimated value is £250,000 annually and aggregate value is £1,250,000
954	5/10/2021	Contract for interpreting and translation services	(1) PCC for North Wales (2) BigWord Group	Commencement date 15/10/2021. Term 2 years with option to extend in 12 month period for extra 2 years. Total estimated contract value £308,000
955	12/10/2021	Contract for refurbishment works at Unit 31 Industrial Estate, St Asaph	(1) PCC for North Wales (2) Elate Construction Limited	Commencement date 12/10/2021. Estimated contract value £50,000. Term – 6 weeks with option to extend on written agreement by parties
956	20/10/2021	Contract for provision of chartered society of forensic sciences for baseline competency assessments	(1) PCC for North Wales (2) Chartered Society of Forensic Sciences	Term 20/10/2021 – 1/12/2023 with option to extend in 12month intervals. Estimated value £285,075
957	20/10/2021 20/10/2021 20/10/2021 20/10/2021 4/11/2021	Contract for reactive repair and planned electrical maintenance	(1) PCC for North Wales (2) Fred Weston Electrical (3) Bebbington & Wilson (4) Lloyd Morris (5) Owen & Palmer	Commencement date 1/10/2021. Term – 2 years initially with option to extend in 12 month period for up to 5 years. Estimated value £300,000 per annum
958	22/10/2021	National Police and Emergency Services Collaborative Contract for the provision of office supplies	(1) PCC for North Wales (2) ACS Business Supplies Limited	Commencement date 1/12/2021. Term – 2 years with option to extend in 12 month multiples for a further 2 years. Aggregate value £1,152,000

959	15/11/2021	Contract for the installation of Lift at Dolgellau Police Station	(1) PCC for North Wales (2) A1 Access Lifts Ltd	Commencement date 1/11/2021. Term 12 months. Value £34,000
960	15/11/2021	Call off Agreement for software licences for intelligence packs	(1) PCC for North Wales (2) Chorus intelligence Ltd	Commencement date 1/11/2021/ Term – 2 years with option to extend for further 2 years. Value £314,500 over 4 years.
961	7/12/2021	Contract for the review of victim needs assessments	(1) PCC for North Wales (2) Agencia Consulting Ltd	Commencement date 7/12/2021. Term until 31/03/2022. Value £15,000
962	13/12/2021	Call off Contract for handheld laser speedmeters	(1) PCC for North Wales (2) Truvelo (UK) Ltd	Commencement date 11/12/2021. Term 2 years with option to extend in 12 month multiples for a further 2 years. Value £80,000 over 4 years.
963	21/12/21	Call off contract for multi agency incident transfer (MAIT) Software	(1) PCC for North Wales (2) Atos IT Services UK Ltd	Commencement date 21/12/21. Two years with the option to extend in 12 month multiples for a further two years. Value £32,000 over two years
964	5/01/22	Call off Contract for supply and fit of tyres	(1) PCC for North Wales (2) Goodyear Tyres UK Limited	Commencement date 25/10/2021. Term four years. Value estimated at £780,000
965	2/02/22	Contract for waste and recycling services	(1) PCC for North Wales (2) Veolia Ltd	Commencement date 2/02/2022. Term 4 years including 2 year extension. Estimated contract value £220,000
966	1/02/22	Contract for mobile handsets and associated voice/data tariffs	(1) PCC for North Wales (2) BT Plc	Commencement date 1/02/2022. Term 3 years. Value estimated £1,172,023 over 3 years
967	2/02/22		(1) PCC for North Wales (2) Lloyd Morris Electrical Ltd	

No	Date	Subject Matter	Parties	
899	10/02/22	Contract for electrical works on the NWP and NWFRS estates	(1) PCC for North Wales (2) Recipero Limited	Commencement date 2/02/2022. Term 6 weeks with option to extend on mutual agreement. Value £61,072
968	16/02/22	Contract for National Mobile Property Register Service	(1) PCC for North Wales (2) Housing Maintenance Solutions	Commencement date 10/02/2022. Term 12 months. Value £6,743.15
969	16/02/22	Contract for building alterations, car park, extension and lean to at VCC at Unit 34 St Asaph – Part 1 -Alterations Part 2, Car park, extension and Lean to	(1) PCC for North Wales (2) Clecs Media CYF	Commencement date 16/02/2022/ Term – Part 1 to be completed by 5/07/2022. Part 2 to be completed by 20th June 2022. Value – Part 1 £733,813.49 Part 2 £808,090.21
970	21/02/22	Contract for the commission of two videos – Safer Streets Project	(1) PCC for North Wales (2) Elate Construction Ltd	Commencement date 16/02/2022. Term – One off project. Value £153,484.90
971	28/03/22	Contract for internal finish/ refurbishment of Muriau Buildings	(1) PCC for North Wales (2) Peter Moss Ltd	Commencement date 21/02/2022. Term 21/02/2022 to 19/04/2022. Value - £113,417.88
		Contract for car wash planned and reactive maintenance services		Commencement date 1/04/2022. Term 3 years plus option to extend for a further 2 years in 12 month multiples. Value - £210,000.00

5. CONTRACTS Under £10,000

The following Contracts with a value under £10,000 which the PCC or Chief Constable is party to:

No	Date	Subject Matter	Parties	Cost (exclusive of VAT)

None

6. TENDERS IN PROGRESS

The following procurements (recorded over the last 3 months) are in progress and have a value over £20,000 which the PCC or Chief Constable is party to:

Project Title	Task Status	Task	Annual Value	Total Contract Value	Department
E-recruitment Platform (All Wales)	Drafting Contract	Direct Award Via Framework	£ 65,000	£ 260,000	POD
Power Bi Licences and Consultant	In Progress	Direct Award Via Framework	£ 35,000	£ 140,000	Corporate Services
Business Travel	Drafting Contract	Direct Award Via Framework	£ 76,800	£ 304,000	Force
Finance System	In Progress	Direct Award Via Framework	£ 157,235	£ 786,175	Finance
Project Manager Tender for Holyhead Police Station	ITT Drafting	Mini Competition -£100,000	£ 65,000	£ 65,000	Facilities
Unit 8 Fence & Gate Modifications	ITT Drafting	Mini Competition -£100,000	£ 60,000	£ 60,000	Facilities
Fire Station Training Tower Installation for Barmouth & Harlech	ITT Drafting	Mini Competition +£100,000	£ 175,000	£ 175,000	Facilities NWFRS
Dolgellau Fire Station Training House	Scoping Options	Mini Competition +£100,000	£ 180,000	£ 180,000	Facilities NWFRS
Generator Repair x 3 sites	In Progress	Quotations	£ 35,000	£ 35,000	Facilities
New Boilers for Rhyl Fire Station	With Supplier	Quotations	£ 30,000	£ 30,000	Facilities NWFRS
Seized/Dangerous Dogs - Kennels	In Progress	Quotations	£ 30,000	£ 150,000	Local Policing
OPCC Website	ITT Standstill	Tender -£100,000	£ 5,000	£ 5,000	OPCC

			£	£	
All Wales verbal and numerical reasoning tests	Not Started	Tender -£100,000	£ -	£ -	POD
NWFRS Laundry Services	Not Started	Tender -£100,000	£ -	£ -	NWFRS
Frontline Mobile Application	Waiting reply	Tender +£100,000	£ 2,000,000	£ 3,000,000	Corporate Services
Tranman Replacement	ITT Evaluating	Tender +£100,000	£ 35,000	£ 100,000	Fleet
ICT Managed Workplace Services	ITT Drafting	Tender +£100,000	£ 1,999,777	£ 20,498,439	IT
ICT Enterprise System Services	ITT Drafting	Tender +£100,000	£ 1,620,832	£ 12,095,824	IT
ICT Enterprise Communication Services & Security	ITT Drafting	Tender +£100,000	£ 969,845	£ 8,285,915	IT
NWFRS Insurance Tender	ITT Standstill	Tender +£100,000	£ 350,000	£ 1,750,000	NWFRS
FCIN - FIT Testing National	In Progress	Tender +£100,000	£ 60,000	£ 60,000	FCIN
FCIN EQMS.Case Management	ITT Evaluating	Tender +£100,000	£ -	£ 1,500,000	FCIN
Lift Maintenance Re-Tender	ITT Evaluating	Tender +£100,000	£ 25,000	£ 120,000	Facilities
WSCC Foresnic Tender	ITT Evaluating	Tender +£100,000	£ 500,000	£ 5,000,000	Crime Services
Mobile Preliminary Drug Testing	In Progress	Tender +£100,000	£ 102,000	£ 102,000	Local Policing
Car Washing	With Legal	Tender +£100,000	£ 35,000	£ 120,000	Facilities
MICROSOFT LICENCES (ESA)	Scoping Options	Tender +£100,000	£ 8,000,000	£ 21,000,000	IT
Intruder & Access Tender	CNN Drafting	Tender +£100,000	£ 85,000	£ 340,000	Facilities

Vehicle Servicing & Maintenance	In Progress	Tender +£100,000		£ 1	Fleet
Digital Asset Management	Drafting Contract	Tender +£100,000	£ 220,000	£ 44,000	Corporate Services
POLICE ESTATES AND FACILITIES BENCHMARKING SERVICE Tender	In Progress	Tender +£100,000	£ 30,955	£ 60,000	Facilities
Caernarfon Fire Station New Sika Roof	ITT Drafting	Tender +£100,000	£ 150,000	£ 150,000	Facilities NWFRS
Internal Audit - re-tender	Waiting on Lead Force	Tender +£100,000	£ 65,000	£ 260,000	Finance
Garage Equipment & Storage	Scoping Options	Tender +£100,000	£ 5,000	£ 20,000	Fleet
Body Armour Replacement	In Progress	Tender by another	£ 1,000,000	£ 1,000,000	SSF Supplies

7.   **SEALED BIDS**

   None

8.   **WAIVERS OF STANDING ORDERS**

   Treasury Management Services

   Arfan Wazir – External consultancy services for review of FCIN programme

Since those reported in the last report dated 1st October 2021

It should be noted that this report is complete as at 31st March 2022 the date it was completed.

Joint Audit Committee

Meeting Date: 28th July 2022

Title:	Force Management Statement Executive Summary – North Wales Police
Author:	Matthew Stewart – Corp Demand and Capabilities Lead
Purpose of the report:	To provide the Joint Audit Committee with an overview of key findings place since the last JAC meeting.
The report is provided to JAC for: (tick one)	☐ Decision ☐ Discussion ☐ Assurance X Information
Summary / Key Points:	The Corporate demand and capabilities strategic lead has developed the FMS during 2022. This document is currently progressing through force governance and will be utilised to inform the 2022-23 planning process. An executive summary has been prepared and will be shared with JAC members. Given the potential sensitivity of elements of the content this will not be included in the public papers. The report highlights key issues included within the FMS and an agenda item has been included at the July JAC with a view to providing a brief summary of the content and to field any queries from JAC members.
Recommendations:	For members of the Joint Audit Committee to note report.
Risk Register Impact:	None.
Assurance Implications:	None.
Equality Impact:	None.
Information Exempt from Disclosure:	