

**HEDDLU  
GOGLEDD CYMRU  
NORTH WALES  
POLICE**

## JOINT AUDIT COMMITTEE

1pm – 27 July 2023

Face-to-Face in Conference Room 1 & Online by Microsoft Teams

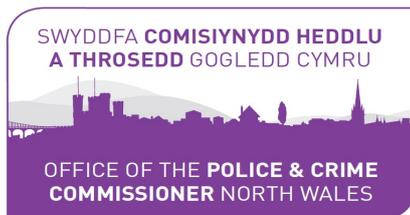
### AGENDA

#### Attendees:

<b>JOINT AUDIT COMMITTEE:</b>	
Rachel Barber - Chair John Cunliffe Allan Rainford	Julie Perkins Sarah Davies
<b>FORCE OFFICERS:</b>	
Seb Phillips – Director of Finance & Resources Guto Edwards - Head of Finance Helen Williams - Financial Control Accountant Anne Matthews – Finance & Budgets Officer T/Chief Superintendent Simon Williams – Corporate Services	James Sutton – Head of Business Intelligence/Chair of Assurance Board Phil Kenyon – Force Solicitor Nigel Harrison - Chief Superintendent Optimisation Programme Matt Stewart - Corporate Head of Strategic Planning
<b>OFFICE OF THE POLICE AND CRIME COMMISSIONER:</b>	
Stephen Hughes – Chief Executive Officer Kate Jackson – Chief Finance Officer	Angharad Jones – PA to the Chief Executive
<b>OTHER ATTENDEES</b>	
Helen Cargill, TIAA	Michelle Phoenix, Audit Wales

	Standing Items		Purpose	Page	Time
1	<b>Apologies &amp; Declaration of Interest</b>	Chair			
2	<b>Minutes of the last meeting</b> The Chair shall propose that the minutes of the meeting held on 10 October 2022.	Chair		3-11	5 Mins
3	<b>Actions Log</b>	Chair		12-21	5 Mins
	<b>Standing Items</b>				
4	<b>Organisational Update</b>	Chief Executive Officer & Director Finance and Resources	Information	22-30	10 Mins

5	<b>HMIC Update &amp; Action Tracker</b>	Chief Superintendent Corporate Services	Assurance	31-33	10 Mins
6	<b>Internal Audit</b> a. Internal Audit SICA 2022/23 – incl. Audit Plan 23/24 b. Management Report	a. Internal Audit b. Director Finance & Resources / Budget Officer	Assurance	34-58 59-73	10 Mins
7	<b>Risk Update</b> - Risk Process Development & Current Risk Register - Assurance Mapping - OPCC Risk Register	Head of Business Intelligence  Chief Executive Officer/Chief Finance Officer	Assurance	74-84	10 Mins
8	<b>Work Programme for 2023/24</b>	Director Finance and Resources and Chief Finance Officer	Decision	85-89	5 Mins
	<b>Substantive Items</b>				
9	<b>Audit Wales – Annual Plan and Projection of Costs</b>	Audit Wales	Information	90-108	5 Mins
10	<b>Force Management Statement</b>	Chief Superintendent Corporate Services/Corporate Head of Strategic Planning	Assurance	Verbal update	20 Mins
11	<b>JAC Update – Capital programme (outturn and forward look)</b>	Head of Finance	Information	Verbal update	10 Mins
12	<b>Treasury Management Performance</b>	Head of Finance	Information	109-118	5 Mins
13	<b>Governance Update – incl draft AGS and JAC ToR</b>	Chief Finance Officer	Information	119-128	10 Mins
14	<b>Legal Report</b>	Force Solicitor	Information	129-149	5 Mins
15	<b>JAC Annual Report – self-assessment and Annual report</b>	Chair	Information	150-166	10 Mins
	<b>AOB (Advise the chair ahead of the meeting)</b>				
	<b>DATES OF FUTURE MEETINGS</b> 28 September 2023 7 December 2023				
		TOTAL			2.10 Hrs



**HEDDLU  
GOGLEDD CYMRU  
NORTH WALES  
POLICE**

## JOINT AUDIT COMMITTEE

Conference Room 1 and Online (Hybrid)  
28 March 2023 at 13:00

### 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 Matthews – Finance & Budgets Officer  
T/Chief Superintendent Helen Corcoran – Corporate Services  
James Sutton – Head of Business Intelligence  
Jenny Parry – Head of People and Organisational Development

#### OFFICE OF THE POLICE AND CRIME COMMISSIONER:

Wayne Jones – Deputy Police & Crime Commissioner  
Stephen Hughes – Chief Executive Officer  
Kate Jackson – Chief Finance Officer  
Angharad Jones – PA to Chief Executive (minutes)

#### OTHER ATTENDEES

Helen Cargill, TIAA  
Michelle Phoenix, Audit Wales

### 1. APOLOGIES AND DECLARATIONS OF INTEREST

No apologies were received.

Declarations of interest:

Kate Jackson – relative working for Audit Wales

### 2. MINUTES AND ACTION LOG

The minutes of the meeting held on 8 December 2022 were agreed as a true record of the meeting.

### 3. ACTION LOG

The Action Log was updated and will be circulated with the minutes. Actions recommended closed and agreed closed were: 8 December 2022 - 1,2,3,5,6,7,8,9,10 and 11.

### 4. ORGANISATIONAL UPDATE

The Joint Audit Committee noted the reports 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 October.

#### Office of the Police and Crime Commissioner

Joint Audit Committee noted the update provided by the Chief Executive Officer within the Office of the Police and Crime Commissioner since the last meeting.

Chief Executive Officer noted that since the report was written the "Casey Review" had been published and has highlighted issues for all Forces. The Police and Crime Commissioner has met with the Chief Constable to review the report and identify key themes to aid and continue ongoing scrutiny and maintain the high standards expected.

The Children's Commissioner has also published a report on Strip Searching of children and it has been noted that there have been 12 incidents of children being strip searched in North Wales. Again, several recommendations have been identified and work ongoing to ensure that we implement any recommendations and monitor against these.

JAC member questioned the percentage of officers under disciplinary action and asked whether this similar or above/below figures within other forces.

Chief Executive Officer noted that the Office of the Police and Crime Commissioner don't have the figure for other Forces but as soon as any figures/statistics are identified he will share with members. Chief Executive Officer does not believe that the number under conduct investigation is high within the Force compared to other similar Forces.

Action 1	Chief Executive Officer to share with JAC Members percentage numbers of officers under disciplinary action within other forces when published.
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Chief Superintendent Corporate Service noted that the Violence Against Women Performance Framework data for all Forces is to be published shortly and this information will be shared with members once published.

Action 2	Chief Superintendent Corporate Service to share VAW Performance Framework data with JAC Members once published.
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#### North Wales Police

Director of Finance and Resources updated the Committee by exception on issues and events affecting the Force since the circulation of the report.

Director of Finance and Resources reiterated the Chief Executive Officer's comments and stated that integrity of officers is of utmost important to the Chief Constable who has stated that North Wales Police will be open and transparent with the number of officers/staff under investigation. The Force was currently undertaking its PND assessment of all Officers and Staff as reported in the national media for all Police forces. Given our Chief Constable had the national lead for this area we would be one of the first forces to undergo this assessment. The Baroness Casey review would also be considered by the Force in terms of any local impact for Officers and our communities.

Chair asked if the robustness and testing of the Whistleblowing Policy had been reviewed/undertaken as this policy underpins part of this issue and asked for assurance that this had been undertaken and embedded within the organisation.

Director of Finance and Resources and Chief Superintendent Corporate Service will take away and share relevant information with members.

Action 3	Director of Finance and Resources and Chief Superintendent Corporate to provide members with assurance that Whistleblowing Policy had been tested and fit for purpose.
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Chief Superintendent Corporates Services stated the HMIC has also looked at this matter and feedback has also been provided to the Force. Whistleblowing is part of this review and members can be assured that much work and scrutiny is happening at a national level.

Director of Finance reported that the projected capital underspend at the end of the financial year had increased since the last report with a projected spend now at £7m. He advised that this would be subject to a further update later on the agenda.

Recruitment of officers under Operation Uplift is on track to be achieved by the end of the financial year and clarification has been received as to the financial penalties in 2023/24 if these numbers are not maintained. Whilst further details were awaited there were expectations that maintenance of uplift would be assessed in Sept23 and again in March24 with penalties applying should the force be below its baseline figure. Further discussion from Audit members led to clarification of this area.

JAC member and Chair questioned what processes and assurances are in place to ensure that officers who do not meet the necessary standard or behaviour are not retained by the Force to ensure that the required number of officers are employed to meet the numbers required under Operation Uplift.

Director of Finance and Resources confirmed that tight governance is in place to ensure officers are retained on merit and that they must work to set standards. It was confirmed that none are kept to ensure that number of officers required from Uplift are met.

The Command-and-Control system is progressing and remains a significantly challenging area of work. Internal discussions have suggested it as an area to factor into the Joint Audit Committee's work programme and audit members were supportive of its inclusion on the next meeting agenda in July.

## 5. **HMICFRS UPDATE**

Joint Audit Committee noted the update provided within the paper.

Chief Superintendent Corporate Services stated that there were 11 areas for improvement identified from the PEEL Inspection and these have now been allocated to senior officers within the Force to progress. A tracker system has also been built into the process and is being reviewed and managed through the Organisation and Learning Board. This Board then reports to the Chief Constable's Performance Board and then on the Strategic Executive Board.

It was noted that PEEL is a very high-level review of the Force, and the Force must work through/decide what action need to be taken to complete these tasks. Forces which received outstanding assurance in areas where the Force did not are being asked to share best practice.

Many of the actions identified within the custody inspection are due to be closed and much work has been done to complete these areas for improvement.

JAC member asked that a high-level review of actions deadlines and whether these are on track could be shared with the Committee in future, as it feels that there are gaps within the report.

Chief Superintendent Corporate confirmed that all the procedures that are in place will be included and clarified within future meeting papers.

Action 4	Chief Superintendent Corporate Services to include high level progress of actions raised by HMICFRS within paper to future Joint Audit Committee meetings
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## 6. INTERNAL AUDIT

### a. INTERNAL AUDIT SICA 2022-23

Joint Audit Committee noted the update provided within the paper which provides an update on progress against the 2022-23 Annual Plan. No concerns were reported, and work is progressing well against the approved annual plan and all but one North Wales review is on track to be completed before the end of March.

Internal Audit reported that all collaborative audits have been issued in draft format, but that they are chasing some forces for their comments and are unsure if these will be finalised before the end of the financial year.

The Health and Safety audit undertaken is much improved but further work needs to be undertaken to push back on some areas and reiterate to all staff that this is part of their work. Much effort is going to inform staff and inform them of their responsibilities.

JAC Member noted that in the Expenses and Additional Payments collaborative audit North Wales had performed well apart from under organisational effectiveness where details on expenses claims had been highlighted and questioned if this could lead to claim fraud especially under the current cost of living pressures.

Internal Audit stated that the reason for the recommendation was the lack of narrative provided within the comments section as to why claims were being claimed.

Finance and Budgets Officer explained the processes involved in claiming expenses and that problems had been experienced in attaching receipts to claims. A more fluid process is being sought to assist in this and reassured members that all claims are reviewed and authorised by line managers.

Director of Finance and Resources will take this matter away to consider whether any further action/processes needs to be put in place to ensure all expenses claimed were correct.

Action 5	Director of Finance and Resources to review and consider if any further action/processes need to be put in place when expenses are being claimed to ensure legitimacy.
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b. INTERNAL AUDIT OVERVIEW – MANAGEMENT REPORT

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

Finance and Budgets officer reported that most management responses had been completed but was still awaiting one. It was also noted that once the outstanding collaborative reports had been received the new draft plan would be circulated.

JAC members asked if the North Wales plan for 2023/24 could be shared with members after the meeting for approval and the collaborative audits shared once agreed.

Action 6	Finance and Budgets Officer to share the North Wales internal audit plan for 2023/24 with members for approval outside the meeting.
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JAC Member questioned why no narrative was included within the document as to why target dates had not been met.

Director of Finance and Resources stated that he and the Finance and Budgets Officer had already discussed and will take an action to summarise and ensure that updates are provided.

Action 7	Director of Finance and Resources and Finance and Budgets Officer to summarise and ensure that updates are provided against actions identified by internal audit.
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7. **RISK UPDATE**

Joint Audit Committee noted the update provided within the Risk Update paper as of 6 March 2023.

Head of Business Intelligence noted that he and others will work with the Chief Executive Officer and Chief Finance Officer to produce a separate Risk Register for the Office of the Police and Crime Commissioner as noted in Action Point 08/12/22 6 within the action log.

An independent review of risk management will be undertaken and will be a staged process. The team are now working through timescales and mechanisms for this review. Report will be shared with Joint Audit Committee members on how the review is scheduled to take place.

Action 8	Head of Business Intelligence to share report on risk management review with members outside of the meeting.
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**8. WORK PROGRAMME FOR 2022/23**

Joint Audit Committee noted the updated work programme presented and Chief Finance Officer noted that the programme was updated throughout the meeting with members comments.

Audit Wales noted that they would not be able to finalise their audit of accounts by the date specified within the work programme and further to what was stated in the Auditor General’s recent letter they aim to complete the accounts for 2022/23 by the end of November 2023.

Audit Wales asked that the letter from the Auditor General is shared with Joint Audit members for their information.

Action 9	Chief Finance Officer to share Auditor’s General letter to Local Authorities with Joint Audit members for their information.
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A plan is in place to try and claw back some time and therefore hope to be able to complete the accounts for 2023/24 by the end of October and 2024/25 by the end of September.

Chief Finance Officer stated that if no penalty for late signing of the accounts, the accounts for 2022/23 will not be signed until the December 2023 Joint Audit Committee meeting. Audit Wales confirmed that the Welsh Government has not changed their legislation regarding late signing but understand the pressures and timelines involved.

Audit Wales stated that the fees for 2023/24 will increase. The likely increase is 10.2% for the increase in work and 4.8% for inflation. This will be in line with all other public bodies.

JAC members expressed their disappointment that the accounts will not be signed until December 2023 and Director of Finance and Resources noted that this is not where the organisations would want to be but need to work in consultation with Audit Wales.

Chair asked that JAC members have sight of the public facing accounts document produced by the Office of the Police and Crime Commissioner before it is published.

Action 10	Chief Finance Officer to share public facing accounts document with JAC members before it is published.
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**9. AUDIT WALES – VALUE FOR MONEY AND ANNUAL AUDIT REPORT (MANAGEMENT LETTER)**

Joint Audit Committee noted the Value for Money Report presented by Audit Wales where it is confirmed that the arrangements expected are in place within the organisation.

JAC member noted that the document referred to working alongside HMICFRS and other organisations and asked if the recent PEEL report was too late to inform Audit Wales’s value for money judgement and would their opinion have changed after reading this document.

Audit Wales confirmed that the PEEL report will be taken into consideration when compiling the 2022/23 accounts but that they do not ensure value for money only state that the necessary arrangements are in place.

10. **CAPITAL PROGRAMME (including the Treasury Management Strategy)**

The Joint Audit Committee noted the Capital Programme which was presented by the Head of Finance and noted that this is an annual document which includes the revenue position for borrowing, Treasury Management, Investment Strategy, and the Treasury Indicators.

Head of Finance reported that during the last few years banks have been in a stable position but within the last few months more instability has been seen. The security of investments by North Wales Police are secure and Arlingclose regularly advise on where and how best to invest.

JAC member questioned why the phasing of the Holyhead Police Station had changed.

Head of Finance explained that because the figure had increased, and the organisation had to ensure value for money the programme had been delayed. This is being reviewed with the Facilities Department and the current timeline is best estimate of time and costs. The development of the Holyhead Police Station is expected to be completed by March 2025.

It was also reported that Body Worn Video costs may still change, and the figure stated is a placeholder as the business case is yet to be confirmed but projected costs of replacement is £1.1m.

Chair asked if approvals had already been made for the programmed 23/34 capital spend to provide some assurance that the capital forecast would be spent.

Head of Finance explained that the budget will be spent at different times through the year and Director of Finance and Resources explained that the work on the delivery of Holyhead was in hand and that work is underway to place orders for new vehicles but that this spend would depend on availability and delivery times.

**Treasury Management**

JAC member noted that the wording in paragraph 3.6 is incorrect as references the Council and that this needed to be changed to Police and Crime Commissioner.

Action 11	Head of Finance to change the wording in paragraph 3.6 of the Treasury Management Report from Council to Police and Crime Commissioner.
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Joint Audit Committee also noted that the benchmark liability chart included within the document could be confusing and questioned whether this is so because of the large reserves held.

Head of Finance explained that the organisation is comfortable that no money needs to be borrowed now and therefore could make the chart appear confusing.

JAC member questioned whether it would be possible to have projection of costs for 2023/24 and include these within the papers and not just the presentation.

Action 12	Head of Finance to produce projection of costs and include within Joint Audit Committee papers.
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## 11. BUDGETS BRIEFING

Joint Audit Committee noted the update on the 2023/24 budgets provided by Head of Finance.

JAC Member questioned whether Operation Uplift should be taken into consideration as a risk.

Director of Finance and Resources stated that this is a potentially significant amount of money but after internal discussions the conclusion was to not reflect it in the financial planning as the organisation had a good grasp of the issue and plans in place to mitigate but may need to be considered further in the future.

JAC member questioned whether officers are confident that the items which contributed to the underspend during 2022/23 have been addressed in the budget for 2023/24.

Director of Finance and Resources confirmed that these have considered as police officer underspend was a significant factor in 2022/23 as many were not recruited until the end of the year. All officers are now in post and therefore this amount will not be present in 2023/24.

## 12. GOVERNANCE UPATE

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

Chair noted that neither the paper presented, or the minutes of the meeting give credence as to how effective the Joint Governance Board could be within the organisation and asked that more assurance is provided that this board does what it should and the effectiveness of the work which flows through the Board.

Action 13	Chief Finance Officer to review content of paper presented to Joint Audit Committee and provide further assurance of Joint Governance Board's effectiveness.
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Director of Finance and Resources reported that the HMICFRS had commented on the governance of the organisation and noted that there is a genuine appetite for reviewing the governance model and ensuring that this is right going forward.

Head of Business Intelligence confirmed that the organisation is open to a more fundamental change if needed within the governance structure but need to ensure that this work is not duplicated. Currently taking a step-back and new delivery plan being looked at to consider change and best practice from other Forces.

## 13. JAC ANNUAL REPORT

Chair noted that the annual report will be drafted and circulated to all members after today's meeting for comment and sent to officers by the end of April.

Joint Audit Committee evaluation is being undertaken using the new Cipfa document and hope to be able to present this to officers by the end of April.

**14. RISK DEEP DIVE – ATTRACTING STAFF TO APPLY FOR KEY ROLES WITHIN NWP**

Corporate Head of People and Organisational Development provided the Joint Audit Committee with an overview of the actions being taken to attract individuals to apply for key roles within North Wales Police.

It was reported that each job evaluation is looked at on a post-by-post basis and a market supplement is placed on some of these roles instead of raising the grade of the role. This has worked well to date.

JAC member questioned whether there was any risk in amending the interview process and if whether a deep dive exit interview was offered to all staff especially the hard to fill ones.

Corporate Head of People and Organisational Development stated that only the interview itself which is being varied to enable an offer of appointment to be given quickly. The remaining processes remain the same with full vetting of all staff still being undertaken.

It was also reported that all departing employees are offered exit interviews and that it was up to the individual if they took up this offer. In some circumstances, especially the hard to fill roles and senior female members of staff an exit interview would be held by Corporate Head of People and Organisational Development.

Director of Finance and Resources reiterated that not filling these roles would have a significant impact on the organisation and that the work undertaken by the Corporate Head of People and Organisational Development and her team has been crucial in mitigating this risk.

Chair requested that the value for money aspect of this work be brought to a future Committee meeting to better understand the value it brings the organisation.

Action 12	Chief Finance Officer to place value for money in recruiting staff on the future work programme.
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**15. ANY OTHER BUSINESS**

No further business was raised.

The next Joint Audit Committee meeting will be held on 27<sup>th</sup> July 2023 at 1pm as a hybrid meeting: in person at Conference Room 1, FHQ Colwyn Bay and over Microsoft Teams.

**JOINT AUDIT COMMITTEE  
ACTION LOG from 1.04.2023**

	Open
	Closed
	Deferred

**New/Open actions from March 2021**

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
10/10/2022	9	<b>Briefing deep dive – Communications Strategies - OPCC and NWP</b> - Consider and feedback to the Joint Audit Committee, how we provide value for money through managed communications to all our communities, to build on public confidence.	Ongoing	OPCC Head of Communication s and Engagement & NWP Head of Communication s	18/11/22 – DFR has contacted the respective leads to advise that the DFR and CFO will consider engaging with them on an appropriate communication plan. 08/12/2022 – Transparency on underspend ongoing. 03/03/2022 – Factored into March23 closed session agenda which will consider HMICFRS report findings and provide further update. <b>Suggest action closed.</b>
08/12/2022	4	<b>Risk Update</b> - Joint Audit member John Cunliffe to share view around risk assurance with officers outside of meeting.	As soon as possible	John Cunliffe – JAC Member	06/03/2023 – Email sent to Head of Business Intelligence to provide a view on capturing the risks and its assurance. Will discuss further with officers if required. 28/06/2023 – JAC member has sent Head of Business Intelligence an e-mail which he is considering. 28/06/2023 - Head of Business Intelligence, Risk and Business Continuity Lead, Assistant Head of Finance and Resources have considered the suggestion of recording a new economic climate risk, but are satisfied this is already covered and mitigated in Risks <u>89</u> and <u>93</u> . <b>Recommend this Action is closed.</b>
08/12/2022	12	<b>Briefings – Sustainability and Decarbonisation</b> - Director of	By March meeting	Director of Finance and	06/03/2023 - Intention would be to consider further alongside JAC TOR but main areas of focus where JAC could add value would be regarding compliance

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
		Finance and Resources and Environment and Energy Conservation Manager to produce paper setting-out the role of the JAC in scrutinising work.		Resources / Environment and Energy Conservation Manager	<p>with legislation; compliance with force policy and once developed, periodic scrutiny of progress made in relation to force plans.</p> <p>28/03/2023 – Need to consider alongside other areas. Will include within draft JAC ToR. Provide update at next meeting.</p> <p>09/05/2023 – to be discussed under the Governance agenda item.</p> <p>23.06.23 – Discussions have taken place regarding the role of the audit committee in this area. The proposal is that:</p> <ul style="list-style-type: none"> <li>• Sustainability is incorporated to the Audit Committee work programme.</li> <li>• Formal reports are provided to the Audit Committee twice per annum.</li> <li>• The Audit committees role is to seek assurance and apply scrutiny in relation to: <ol style="list-style-type: none"> <li>1. The force strategy being adopted.</li> <li>2. The risks and opportunities presented in the delivery of this strategy.</li> <li>3. The compliance of the Force with its policies; adopted codes of practice and the wider legislative framework.</li> </ol> </li> </ul> <p><b>Suggest action closed.</b></p>
28/03/2023	1	<b>Organisational Update</b> - Chief Executive Officer to share with JAC Members percentage numbers of officers under disciplinary action within other forces when published.	Immediate	Chief Executive Officer	07.06.23 – Chief Executive has contacted other forces and has obtained limited data from them. Information to be included within the next organisational update paper.
28/03/2023	2	<b>Organisational Update</b> - Chief Superintendent Corporate Service to share VAW Performance Framework data with JAC Members once published.	As soon as possible	Chief Super Corporate Services	<p>There was a change in direction nationally and a decision made not to publish individual Force data as part of the VAWG Performance Framework.</p> <p>The attached report is the one that was published nationally.</p>  <p>Tackling VAWG Policing insights rep</p>
28/03/2023	3	<b>Organisational Update</b> - Director of Finance and Resources and Chief Superintendent Corporate	Immediate	Director of Finance and Resources & Chief Super	<p>23.06.23 – DFR engaged with Head of PSD regarding Whistleblowing. A summary of the current position is provided below:</p> <p>Our current whistleblowing guidance sits within the Counter Corruption Policy.</p>

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
		to provide members with assurance that Whistleblowing Policy had been tested and fit for purpose.		Corporate Services	<p>This is being reviewed as a whole at this time. A piece of work started on an all Wales basis last year where between 3 of the 4 Welsh forces we have sought counsel advice for a specific Whistleblowing policy. This has been out for limited consultation in force with Staff associations, POD etc, however it will require full consultation when it is included in the full updated version of the Counter Corruption policy. This remains a work in progress. The target date for CCU policy completion is August23.</p> <p>This however does not negate what we already have and PSD staff, Legal and HR representatives attended a Whistleblowing input by counsel last year to ensure that should a individual fit this criteria each department would know how to respond accordingly. It has not been specifically tested since.</p> <p>We have significant engagement with our Police Integrity Line where people report concerns confidentially, but there is an option to instigate contact if the person so wishes.</p> <p><b>Suggest Action Closed.</b></p>
28/03/2023	4	<b>HMICFRS Update</b> - Chief Superintendent Corporate Services to include high level progress of actions raised by HMICFRS within paper to future Joint Audit Committee meetings	July meeting	Chief Super Corporate Services	Included in HMICFRS Update paper on the Agenda.
28/03/2023	5	<b>Internal Audit SICA 2022-23</b> - Director of Finance and Resources to review and consider if any further action/processes need to be put in place when expenses are being claimed to ensure legitimacy.	Immediate	Director of Finance and Resources	<p>23.06.23 – The expenses process is via our online HR self-service system.</p> <p>It places the emphasis on the Individual claiming. Submissions are made on the back of them confirming that they have read, understood and adhered to the Expenses &amp; Allowances Policy. The policy states that NWP will reimburse expenditure incurred provided it is:</p> <ul style="list-style-type: none"> <li>• Necessary</li> <li>• Reasonable</li> <li>• In addition to what the employee would have otherwise incurred AND</li> <li>• Backed by a receipt.</li> </ul>

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
					<p>It is clearly stated that submitting a claim contrary to this can lead to a full recovery of expenses claimed and if deemed appropriate, disciplinary action.</p> <p>Expense claims still require line manager authorisation.</p> <p>The context for the action was that there had been an issue that some receipts were unreadable. Uploading and scanning has become easier with access scanners at force sites restored and digital receipts and photos via force mobile phones have further mitigated the issue.</p> <p>The conclusion is that the processes are proportionate to ensure the legitimacy of claims.</p> <p><b>Suggest action closed.</b></p>
28/03/2023	6	<b>Internal Audit Overview – Management Report</b> - Finance and Budgets Officer to share the North Wales internal audit plan for 2023/24 with members for approval outside the meeting.	Immediate	Finance and Budgets Officer	04/04/2023 - Plan shared with JAC members. <b>Suggest action closed.</b>
28/03/2023	7	<b>Internal Audit Overview – Management Report</b> - Director of Finance and Resources and Finance and Budgets Officer to summarise and ensure that updates are provided against actions identified by internal audit.	July meeting	Director Finance and Resources and Finance and Budgets Officer	<p>23.06.23 – This was discussed post meeting. Of particular relevance were the TIAA recommendations associated with ‘NEP Phase 2’. The relevant recommendations were 249424, 249425 and 249426.</p> <p>The DFR has held several working group meetings to ensure that the JAC members are briefed on this issue and that the updates to these recommendations (which remain long term) provide sufficient detail for the July JAC meeting.</p> <p><b>Suggest action closed.</b></p>
28/03/2023	8	<b>Risk Update</b> - Head of Business Intelligence to share report on risk	Immediate	Head of Business Intelligence	28/06/23 - The Terms of Reference for the Risk Management Review to be undertaken by Gallagher Bassett was shared with JAC via their Google Drive on 07/03/23.

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
		management review with members outside of the meeting.			<p>Since then, the Force have changed insurers to Maven and therefore this review will no longer be carried out by Gallagher Bassett.</p> <p>One of the disadvantages of moving Insurer is that the risk management assistance provided ran alongside our actual policy as an added value benefit. As we know from the last few years, RMP offered a number of free risk management days within the term of the contact and additionally a host of online webinar training programmes of smaller bite sized areas. Unfortunately, Maven are not set up in such a way as to offer the extensive offering that RMP did.</p> <p>The Force have however been offered by Maven a risk management fund of £2,500 under the Liability quotation.</p> <p>Risk and Business Continuity Lead is currently in the process of communicating via the Broker to Maven to see which areas of the original Gallagher Bassett Terms of Reference they may be able to progress and organise within the £2,500 budget. Maven have also suggested light training needs that they may be able to come up with and provide some in house advice without using the fund.</p> <p>A further update will be provided in due course.</p>
28/03/2023	9	<b>Work Programme for 2022/23</b> - Chief Finance Officer to share Auditor's General letter to Local Authorities with Joint Audit members for their information.	Immediate	Chief Finance Officer	29/03/2023 – Letter shared with JAC members. <b>Suggest action closed.</b>
28/03/2023	10	<b>Work Programme for 2022/23</b> - Chief Finance Officer to share public facing introduction to accounts document with JAC members before it is published.	ASAP	Chief Finance Officer	03/07/2023 - Document shared with JAC Members. <b>Suggest action closed.</b>
28/03/2023	11	<b>Treasury Management</b> - Head of Finance to change the wording in paragraph	Immediate	Head of Finance	Wording has been changed. <b>Recommend Action Closed.</b>

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
		3.6 of the Treasury Management Report from Council to Police and Crime Commissioner.			
28/03/2023	12	<b>Treasury Management</b> - Head of Finance to produce projection of costs and include within Joint Audit Committee papers.	July meeting	Head of Finance	Projections will be included in reports where possible, at times there may be updated information that was not available at the time of writing the report that would be included on slides” <b>Recommend Action Closed.</b>
28/03/2023	13	<b>Governance Update</b> - Chief Finance Officer to review content of paper presented to Joint Audit Committee and provide further assurance of Joint Governance Board’s effectiveness.	July meeting	Chief Finance Officer	The content of the Governance Update has been reviewed to ensure the effectiveness of the Joint Governance Board is more clearly demonstrated within the paper. <b>Suggest item closed.</b>

Closed actions since last meeting – Archived April 2023 – previously closed available on request

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
08/12/2022	1	<b>Organisational Update – OPCC</b> - Presentations from the Familiarisation event to be saved on google drive to enable members who were not present to have sight of content.	Immediate	PA to Chief Executive	Presentations saved on Google Drive. <b>Suggest action closed.</b>
08/12/2022	2	<b>HMICFRS Update</b> - Superintendent Corporate Service to ensure that further detail regarding delivery of actions and associated risks are included within the next Joint Audit Committee meeting paper.	March meeting	Superintendent Corporate Services	03/03/2022 – HMICFRS PEEL Report link to be shared with JAC members ahead of meeting and HMICFRS PEEL update to feature on March23 agenda. <b>Recommend action closed.</b>
08/12/2022	3	<b>Internal Audit – SICA</b> - Internal Audit and Finance and Budgets Officer to provide members with an update during January of completed and remaining audits for 2022/23.	January 2022	Internal Audit and Finance and Budgets Officer	21/12/2022 – Update shared with JAC Members <b>Suggest action closed.</b>

08/12/2022	5	<b>Work Programme for 2022/23</b> - Chief Finance Officer to update Work Programme and present update paper on precept/budget in March JAC meeting.	March meeting	Chief Finance Officer	01/03/2022 - Link to Police & Crime Panel papers provided below. <a href="https://modgoveng.conwy.gov.uk/ieListDocuments.aspx?CId=800&amp;MId=9252&amp;Ver=4">https://modgoveng.conwy.gov.uk/ieListDocuments.aspx?CId=800&amp;MId=9252&amp;Ver=4</a> <b>Suggest action closed.</b>
08/12/2022	6	<b>Work Programme for 2022/23</b> - Chief Finance and Chief Executive Officers to meet with JAC Risk lead to review the OPCC risk register.	As soon as possible	Chief Finance Officer / Chief Executive	14/2/23 – CFO met with J Cunliffe 14 February 2023 to go through risk management within the OPCC, including how risks are escalated to/de-escalated from the corporate risk register. JC asked whether the process and thresholds to escalate/de-escalate risks are consistent across the OPCC and force. CFO referred the matter to Corporate Risk and Continuity Lead for conformation. <b>08/03/23 – NWP Risk Lead reported</b> -OPCC Risks are recorded on the Force Risk Register if they meet the same threshold as per NWP Risks. This is done via an agreed Scoring Process and in accordance with The Risk Management and Assurance Mapping Framework. Any OPCC Risks that are requested to be Closed, again follow the same process. OPCC risks are reported to the Strategic Executive Board for strategic oversight and review. <b>28/03/2023</b> – JAC members concerned that risk registers are combined and believe they should be stand-alone as could cause conflict if together. CEO stated that happy for both to stand alone if provide assurance. CEO/CFO and JAC Risk Lead to meet to discuss. <b>Recommend action closed.</b>
08/12/2022	7	<b>Treasury Management Performance</b> - Head of Finance to ask Arlingclose to provide Treasury Management training to JAC members.	As soon as possible	Head of Finance	22/12/22 - Treasury advice has been sent out to tender with a closing date of early January. 28/03/2023 - Arlingclose have been reappointed. Head of Finance to contact to identify suitable date for Treasury Management training. <b>Action closed.</b>

08/12/2022	8	<b>Capital Programme – Update</b> – Director of Finance and Resources to share graph with audit committee members	As soon as possible	Director of Finance and Resources	06/03/2023 - Slide deck outlining financial performance re. Capital expenditure shared with audit committee members. <b>Suggest action closed</b>
08/12/2022	9	<b>Ethics Update</b> - Director of Finance and Resources to ascertain if Ethics Committee had been involved in the Internal Audits process.	Immediate	Director of Finance and Resources	02/03/2023 – No specific Ethics audits undertaken in recent past or TIAA activity triggered as a result of Ethics Committee. 28/03/2023 – Any ethical issues from audit process with be forwarded into the Ethics Committee. <b>Recommend action closed.</b>
08/12/2022	10	<b>Ethics Update</b> - Director of Finance and Resources to clarify whether applicants are asked whether they are members of the Freemasons as part of the application/vetting process.	Immediate	Director of Finance and Resources	02/03/2022 – DFR clarified with Force Vetting Manager who confirmed there is no specific Freemasons enquiry as part of the vetting process. <b>Recommend action closed.</b>
08/12/2022	11	<b>Ethics Update</b> - Vice-Chair of Ethics Committee to share dilemma and outcome with Joint Audit Committee Members.	Immediate	Vice-Chair of Ethics Committee	03/03/2022 - Context for action was Medical records ethical issue. Further information shared with audit committee members via group drive following the meeting. <b>Suggest Action Closed.</b>

Abbreviation Key	
CC	Chief Constable
CEO	Chief Executive Officer (OPCC)

<b>CFO</b>	Chief Finance Officer (OPCC)
<b>DFR</b>	Director of Finance and Resources (NWP)
<b>HMICFRS</b>	Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services
<b>JAC</b>	Joint Audit Committee
<b>NWP</b>	North Wales Police
<b>OPCC</b>	Office of the Police and Crime Commissioner
<b>PA</b>	Personal Assistant to CEO and CFO
<b>PCC</b>	Police and Crime Commissioner
<b>PSD</b>	Professional Standards Department (NWP)
<b>TIAA</b>	Internal Audit
<b>WAO</b>	Wales Audit Office

**Joint Audit Committee**

**Meeting Date: 27<sup>th</sup> July 2023**

<b>Title:</b>	OPCC Organisational Update
<b>Author:</b>	Stephen Hughes
<b>Purpose of the report:</b>	
<b>The report is provided to JAC for: (tick one)</b>	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Assurance <input checked="" type="checkbox"/> Information
<b>Summary / Key Points:</b>	<ul style="list-style-type: none"> <li>• Baroness Casey report into standards and culture within the Met             <ul style="list-style-type: none"> <li>• Victims Panel</li> <li>• Modern Slavery Business Event</li> <li>• Cyber Crime and Rural Communities                 <ul style="list-style-type: none"> <li>• PCC Surgeries</li> <li>• Risk register updates</li> </ul> </li> </ul> </li> </ul>
<b>Recommendations:</b>	That JAC members note the report and that further detail will be provided in the closed session in relation to the Casey Review
<b>Risk register impact:</b>	New risk added to the OPCC register in relation to the PCC election in May 2024.
<b>Assurance implications:</b>	None
<b>Equality Impact:</b>	None
<b>Information exempt from disclosure:</b>	None



## Updates

The previous meeting of the Joint Audit Committee (JAC) was held on 28<sup>th</sup> March 2023. This report will provide an update to the JAC on OPCC matters of note since then.

### **Baroness Casey's report into standards and culture within the Metropolitan Police**

JAC members will recall from previous updates that the PCC recently published a report looking at the prevalence of cases of misogyny in the Force, the numbers of cases under investigation and the measures in place to protect the public and ensure the correct vetting of officers. The recent publication of the Casey review once again brought these matters, quite rightly, into public focus.

The PCC is determined to hold the police to account and will work with the Chief Constable and senior officers to ensure the measures they are putting in place make a difference. At the most recent meeting of the Strategic Executive Board the PCC reviewed the Force performance in respect of Violence Against Women and Girls (VAWG), Professional Standards and culture within policing.

The PCC examined areas including:

- How North Wales Police are preventing and investigating VAWG offences.
- How the Force are performing against the National VAWG action plan.
- The effectiveness of the Multi Agency Risk Assessment Conferences (MARAC) and partnership working for domestic abuse.
- The work of the Amethyst team who investigate rape and support victims.
- How can the force demonstrate it has a healthy ethical culture in place.
- What does the force do to encourage and embed ethical behaviour.
- How are local communities engaged with on force decisions, particularly on the use of powers which disproportionately impact some groups with shared protected characteristics (e.g. the use of TASER, and Stop and Search).
- How the Chief Constable is ensuring that police recruits have the emotional competencies and behaviours necessary to work with highly vulnerable people.

During the recent JAC meeting, JAC members queried how NWP figures compared to other force areas. Only two forces, Sussex and Thames Valley, were prepared to disclose their details. I will update members on these figures during the closed session

## **North Wales Victims Panel**

The PCC recently fulfilled a key pledge made when elected to the role of PCC with the first meeting of a newly created Victims' Panel for North Wales.

The panel is chaired by the Deputy Police and Crime Commissioner, Wayne Jones, and attended by staff from the Office of the Police and Crime Commissioner (OPCC), and the Victim Help Centre (VHC). The VHC is a service commissioned by the PCC to offer advice and support to victims of crime and they are helping to administer the running of the panel and working with victims to share their thoughts.

Eight victims gave their feedback on the day covering a variety of different types of crime and experiences of the criminal justice system. The themes discussed at the panel are flexible and can be a specific offence type or more general victim issues they have experienced within the criminal justice process. The victim's privacy is protected at all times when feedback is given.

## **Modern Slavery Business Event**

At an event held on 22 May in Llandudno Junction, nearly 100 local business owners and public sector organisations from right across North Wales came together to look at the crucial issue of Modern Slavery, to understand how to identify it and discuss the risks it poses to the local economy.

High-profile speakers were drawn from across the region and the wider UK, including Kevin Hyland OBE, the UK's first Independent Anti-Slavery Commissioner. A series of presentations on the day highlighted that Modern Slavery is a continuing threat to communities in North Wales and businesses need to be aware of how it can impact, and how to spot the signs.

## **Protecting Rural Communities**

The PCC recently sponsored and was a key note speaker at an event looking at ways our rural communities can better protect themselves from crime, as well as crucial new measures being undertaken by North Wales Police to combat criminal activity across the region. The Cyber Safety and Crime Prevention event was sponsored by the charity for farmers and their families, Tir Dewi; North Wales Police; the North Wales Police and Community Trust; and the Office of the Police and Crime Commissioner for North Wales.

The North Wales Police Cyber Crime Team emphasised the important of farmers being vigilant to online and cyber crime, given the increasingly digital nature of managing a business – even in farming. Examples were given of various scams used by criminals, including those involving fake emails from supposed suppliers asking farmers to pay into a new account.

### **Monthly advice surgeries**

As previously reported, the PCC has launched a new monthly advice surgery for residents. The initiative enables local people to discuss policing in their communities and to raise any concerns or comments they might have directly with the Commissioner.

A monthly meeting will be held in towns and villages across the North Wales area, both large and small, rural and urban, and right across the six counties. To date, surgeries have taken place in Bala, Ruthin, Pwllheli and Bangor. The next surgery is due to take place in Barmouth. Further locations for the remainder of 2023 will be announced in due course.

### **OPCC Risk Register**

A new risk has recently been added to the OPCC risk register in relation to the PCC elections in May 2024. There are two elements to the risk. Firstly, in the run up to the election to ensure that all candidates, including the incumbent, are treated fairly and have access to the same information. This is the responsibility of the Chief Executive and Monitoring Officer. Secondly, should a new PCC be elected, there is a risk in relation to staffing, commissioned services and other areas. The register provides further details in relation to these risks.

<b>Report Author:</b>	<b>Stephen Hughes, Chief Executive</b>
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**Joint Audit Committee**

**Meeting Date: 27<sup>th</sup> July 2023**

<b>Title:</b>	Organisational Update – North Wales Police
<b>Author:</b>	Seb Phillips, Director of Finance & Resources
<b>Purpose of the report:</b>	To provide the Joint Audit Committee with an overview of key organisational events and issues taking place since the last JAC meeting.
<b>The report is provided to JAC for: (tick one)</b>	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Assurance <input checked="" type="checkbox"/> Information
<b>Summary / Key Points:</b>	<p>This report provides a high-level Organisational Update for North Wales Police highlighting key issues and events affecting the organisation for the period from 04.03.23 to 04.07.23.</p> <p>The issues and events are analysed between the four categories of Finance; People, Learning &amp; Innovation; Operational and Public / Community.</p>
<b>Recommendations:</b>	For members of the Joint Audit Committee to note the Director of Finance & Resources' report.
<b>Risk Register Impact:</b>	None.
<b>Assurance Implications:</b>	None.
<b>Equality Impact:</b>	None.
<b>Information Exempt from Disclosure:</b>	None - All content in <b>Open</b> Session

# JOINT AUDIT COMMITTEE

27<sup>th</sup> July 2023

## Organisational Update

### Report by Director of Finance & Resources, North Wales Police

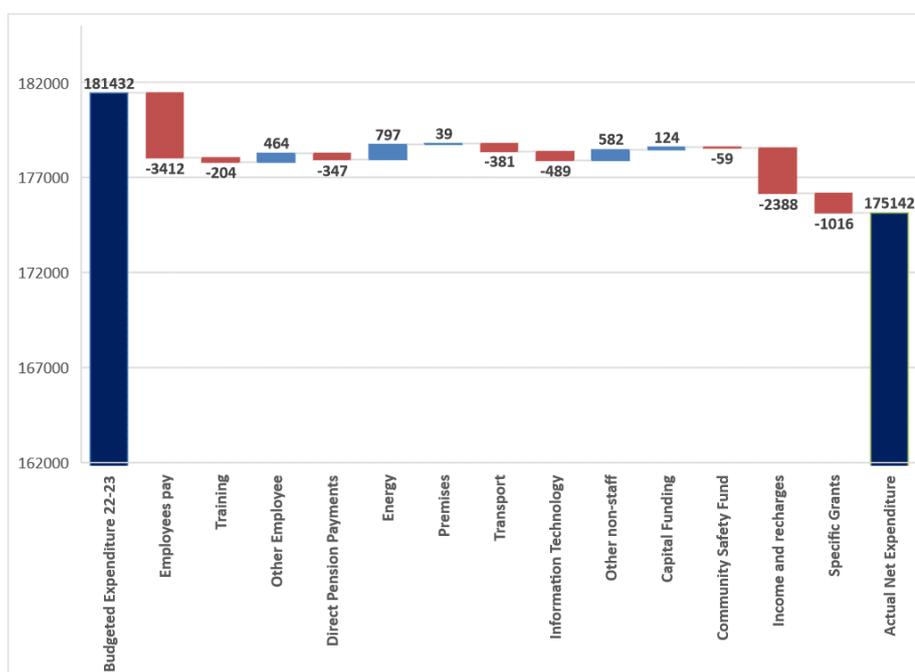
#### 1. Introduction

This report provides a high-level Organisational Update for North Wales Police, highlighting key issues and events affecting the organisation for the period from 04.03.23 to 04.07.23.

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

#### 2. Finance

2.1 The outturn position for FY22-23 resulted in a Revenue underspend of £6.290m broadly in line with overall projections. The implementation of Uplift allocations for FY22-23 and additional income, recharges and specific grants were the most significant factors driving the position.



2.2 The outturn position for the Capital Programme for FY22-23 was also underspent, at £6.890m against the original budget of £11.176m. This was primarily driven by delays to delivery rather than schemes coming in at a lower cost although a number of important elements of the programme have progressed during the financial year.

2.3 Despite the underspend the Force met its Operation Uplift target for 22-23 with the HR, Training and Communications teams performing critical roles. Maintenance of Uplift and PCSO numbers for FY23/24 are a requirement of the UK Government's and Welsh Government's respective financial settlements and recruitment plans for FY23-24 are being formulated accordingly.

- 2.4 The Draft Statement of Accounts were issued to Audit Wales w/c 3<sup>rd</sup> July 2023.
- 2.5 Inflationary pressures have remained stubbornly high and interest rates have continued to rise. Variances will be monitored against plan over the course of FY2023-24 but a fall in electricity & gas wholesale prices, fuel prices and increased investment returns have the potential to offset some of the potential cost pressures that could develop depending on the 2023 pay award decisions for Officers and Staff.

### 3. People, Learning & Innovation

- 3.1 Following work commissioned by the Chief Constable to shape the future direction of the organisation, the Vision and Priorities of the Force for 23/24 have now been published, taking account of the views of staff as well as those of our local communities. As part of the communication plan, internal roadshows have been arranged, the first of which took place on Monday, 3<sup>rd</sup> July 2023.



- 3.2 A cultural audit has been undertaken by an independent external organisation involving interviews and workshops with staff. Findings have been presented to senior leaders on 29<sup>th</sup> June 2023 with the next steps for the work being overseen by a Culture board to be chaired by the Chief Constable.
- 3.3 The force has also commissioned a Governance review partially in response to the HMICFRS PEEL report findings. This work has continued to progress over the period.
- 3.4 The force continues to progress its supportive leadership programme (launched in January 2023) for all first- and second-line managers. 8 courses have been held to date with the Senior Leaders Forum on 19<sup>th</sup> June 2023 also dedicated to the content.
- 3.5 Commercial arrangements for the Force's new ICT Target Operating Model (TOM) have been finalised with CGI acting as the Strategic partner. Transition to the new service is continuing to progress.
- 3.6 The Force's Command & Control upgrade programme remains challenging, complex and time pressured but recent programme gateways were successfully navigated gaining PCC and Chief Constable approval in the period. The Mobile App project also

progresses although technical issues have impacted timelines for implementation which are now projected for later in 2023 than originally planned.

#### **4. Operational**

- 4.1 The Baroness Casey Review into the standards of behaviour and internal culture of the Metropolitan Police Service, was published on 21<sup>st</sup> March 2023. The chief officer team have stressed that they are proud to lead the workforce but recognise that the organisation is not immune to all issues reported and cannot be complacent. The findings are being considered alongside the wider standards work taking place within Force.
- 4.2 In April, DCC Richard Debicki announced his intention to retire later this year having performed as the Assistant Chief Constable, Deputy Chief Constable and T/Chief Constable over last 9 years. The chief officer team wish him well in his retirement. From 8<sup>th</sup> August 2023 there will be a number of temporary moves within the senior management team until a formal recruitment process for a takes place in Spring 2024.
- 4.3 The Optimisation review launched by the Chief Constable has continued to progress. Recommendations agreed to date include a focus on increasing front line staffing; an emphasis on effective tasking and briefings; and a pilot which looks at a new management structure for our districts. The next phase of the programme will focus on Crime Services.
- 4.4 From 3<sup>rd</sup> April 2023, Naloxone is available for officers to carry as part of their First Aid kit. This is a voluntary addition and will not be mandated. Naloxone is a nasal spray that can assist with harm prevention during the first few minutes at the scene of an overdose using Opioids and follows a successful 6-month pilot in Flintshire in July 2020.
- 4.5 The Force supported extensive operations policing high profile events in May, including the Eurovision Song Contest in Liverpool and the Coronation of King Charles III in London.
- 4.6 Performance monitoring at Force and OPCC level continues with key performance updates from the Strategic Executive Board held on 10<sup>th</sup> May 2023 including deep dives into the priority areas of Violence Against Women & Girls (VAWG) and PSD & Cultural Issues. The areas with directed improvement plans continue to progress. The performance forum for the Force has also been reviewed and revised with Force meetings now scheduled on a monthly basis.

#### **5. Public / Community**

- 5.1 The results of the Public Perception Survey commissioned in Autumn 2022 have been released. Headlines from the results for NWP include:
  - 86% of the public had confidence in NWP
  - 80% felt safe in North Wales compared to the rest of the UK
  - 94% felt safe in their own homes

The results provide a useful gauge of ongoing progress made towards the vision of Making North Wales the safest place to live, work and visit in the UK.

5.2 The Force has seen an increase in the number of officers being assaulted by members of the public in the line of duty and increased focus is being placed on the issue given the significant impact on individuals and their families.

## **6. Recommendations**

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

**Joint Audit Committee**

**March 2023**

<b>Title:</b>	HMICFRS Update
<b>Author:</b>	Sarah O’Hara
<b>Purpose of the report:</b>	Update in relation to HMICFRS Inspections
<b>The report is provided to JAC for: (Tick one)</b>	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Information
<b>Summary / Key Points:</b>	<p><b><u>Police effectiveness, efficiency, and legitimacy (PEEL)</u></b></p> <p>Work remains ongoing to support the completion of the 11 AFIs received from the 2022 PEEL inspection report for North Wales Police. Alongside this, work to understand the force position against the PEEL 2024 Assessment Framework is underway. This force self-assessment enables Chief Officers and Service Leads to have oversight of any areas of concern and highlight positive areas of work/performance to promote to HMICFRS ahead of the next inspection round in summer 2024.</p> <p>The 11 AFIs are making progress and the interdependencies to support their completion are measured on a tracker and RAG rated alongside a completion bar. All actions identified to enable us to fulfil the AFI are time bonded with leads held accountable for their progression. Whilst the force can deem an AFI complete, PEEL AFIs cannot be formally identified as completed until HMICFRS conduct their assessment during the next PEEL inspection, with the vast majority assessed as part of the crime file review.</p> <p>To support the completion of the AFIs and the force self-assessment, a dedicated Microsoft Teams site has been created, enabling both strategic and tactical leads editorial access to ensure that evidence and information collated remains current. In addition to this, meetings are held regularly between leads and the Audit and Inspection team for progress reviews and to disseminate HMICFRS guidance. The sergeant working within the Audit and Inspection Team has been tasked to visit frontline supervisors to discuss some of the issues identified during our previous inspection, to seek to improve compliance. He will be liaising with officers on the following topics:</p> <ul style="list-style-type: none"> <li>• Correct application of crime outcomes</li> <li>• Completion of use of force forms, with emphasis on compliant handcuffing</li> <li>• Understanding the requirements of the Victims Code of Practice (VCOP) and the completion of Victim Needs Assessments (VNAs)</li> <li>• Ensuring that BWV is used with Stop Searches and that this is captured on our stop search forms.</li> </ul> <p>To ensure that Chief Officers are supporting and have sight of force progress, the Deputy Chief Constable has introduced a HMIC Assurance Board where service leads provide updates on progress and are able to explain any identified barriers.</p>

### **Serious and Organised Crime (SOC) and Vetting Inspections**

North Wales Police were inspected on our approach and response to Serious and Organised Crime in February 2023, as part of the North-West (NWROCU) region. The inspections across the region are now complete and the reports are due to be received for initial review in July 2023. Grading and any areas for improvement/recommendations will be included in our draft copy. These will be tracked, monitored and progressed in the same way as the PEEL AFIs above.

The report of the inspection into the effectiveness of North Wales Police Vetting Arrangements was published on 16<sup>th</sup> June 2023. A copy of the full report can be obtained here: [A report into the effectiveness of vetting arrangements in North Wales Police - His Majesty's Inspectorate of Constabulary and Fire & Rescue Services \(justiceinspectorates.gov.uk\)](https://www.justiceinspectorates.gov.uk/hmicfrs/reports-and-publications/a-report-into-the-effectiveness-of-vetting-arrangements-in-north-wales-police-his-majestys-inspectorate-of-constabulary-and-fire-rescue-services/).

The force received a grading of **adequate** and one area for improvement covering four different elements:

The force should improve its vetting arrangements to ensure that:

- It has a clear understanding of the level of vetting required for all posts and that all personnel have been vetted to a high enough level for the posts they hold;
- The vetting unit has sufficient staff to meet the demand it faces;
- When concerning adverse information has been identified during the vetting process, all vetting decisions (refusals, clearances and appeals) are supported with a sufficiently detailed written rationale; and
- It analyses vetting data to identify, understand and respond to any disproportionality.

Work has been ongoing to complete this AFI since the inspection commenced back in September 2022. Progress will be monitored by the DCC's HMIC Assurance Board and tracked using the same method referenced above.

### **National Thematic Report: An inspection of vetting, misconduct, and misogyny in the police service**

The national thematic report into vetting, misconduct, and misogyny in the police service was published on 2<sup>nd</sup> November 2022. The findings of this inspection led to 43 recommendations and 5 AFIs for Chief Constables, the College of Policing, Home Office and the NPCC to consider.

Forces were mandated to provide updates to the NPCC from February to April 2023 to assess force progression in line with the deadlines stipulated. North Wales Police has successfully completed all areas required for completion by 30<sup>th</sup> April 2023 and work to meet the further recommendations due for completion in October and December 2023 is progressing as anticipated. It must be noted that the report published on 11<sup>th</sup> May 2023 is based on data the force submitted in February 2023. The full report and its associated annexes can be found here: [Vetting, misconduct and misogyny in the police service: review of progress - His Majesty's Inspectorate of Constabulary and Fire & Rescue Services \(justiceinspectorates.gov.uk\)](https://www.justiceinspectorates.gov.uk/hmicfrs/reports-and-publications/vetting-misconduct-and-misogyny-in-the-police-service-review-of-progress-his-majestys-inspectorate-of-constabulary-and-fire-rescue-services/)

### **Report on an unannounced inspection visit to police custody suites in North Wales Police**

One of the HMICFRS' Custody Inspection Leads will review the forces progress against those AFIs and Recommendations deemed complete in July 2023. A further update will be provided at the next meeting.

**National recommendations and AFIs**

As referred to in the previous report, HMICFRS has introduced a new process allowing Chief Officers to sign-off recommendations or AFIs in tier 2. Since the previous meeting, the force has managed to sign off a number of historic recommendations and AFIs, leaving the force with the following open on the monitoring portal shared with HMICFRS:

<b>Level 2 Force sign-off</b>	<b>Level 3 – Force &amp; HMICFRS sign-off</b>
<b>New: Values and culture in fire and rescue services x 1</b>	Vetting, misconduct and misogyny x 29 recommendations
Serious Youth Violence x 2 recommendations	Custody x 4 recommendations
Online CSE x 10 recommendations	NWP Vetting 2022 x 1 AFI
Digital forensics x 1 recommendation	PEEL 2022 x 11 AFIs
Vetting, misconduct and misogyny x 5 AFIs	
Burglary, robbery and other acquisitive crime x 2 recommendations	
Custody x 5 AFIs	
VAWG x 3 recommendations	
Rape x 1 recommendation	

All of the recommendations and AFIs referenced above were discussed at the DCC’s HMIC Assurance Board on 15<sup>th</sup> June 2023. A tracker to monitor the progress of each of the open recommendations and AFIs is being designed to be included on the dedicated Microsoft Teams site for further transparency.

<b>Recommendations:</b>	None.
<b>Risk register impact:</b>	None.
<b>Assurance implications:</b>	None.
<b>Equality Impact:</b>	None.
<b>Information exempt from disclosure:</b>	None.



Internal Audit

FINAL

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

Summary Internal Controls Assurance (SICA) Report

**2023/24**

July 2023

# 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 of 7<sup>th</sup> July 2023.

## Future of Internal Audit (IA)- Digital drivers

### Use of Data analytics by TIAA

2. TIAA is always adopting new ways of working and methodologies including innovative approaches for delivering internal audits. This is part of our continuous improvement programme which facilitates improvements in efficiency, effectiveness, and the quality of the work we deliver. We currently use data analytics as part of our work in relevant areas to test against full data sets, spot hidden risks, to target our testing and to provide ‘proof in total’ assurance; this adds credibility and value to the reports we produce. Data Analytics helps us to analyse large volumes of data to identify trends, patterns, and anomalies that may indicate potential risks or opportunities for improvement.

### How will Artificial Intelligence (AI) enhance the delivery Internal Audit of the future?

3. We believe that the way internal audits are delivered will change significantly in the next 3 to 5 years through the use of AI, through the use of auditing tools which contribute towards a process of continuous audit assurance, a wider use of predictive analytics to allow auditors to provide reports that are far more forward looking, and robotic process automation which will help remove much of the manual data collection work, thereby allowing Internal Audit more time to provide value-added analysis. Another branch of AI, Natural Language Processing (NLP), has the potential of also enabling auditors to analyse text in a large number of documents.
4. In addition to the use of Data Analytics, TIAA is actively exploring, as part of our vision for the future, the use of AI, automation and other digital tools to streamline the audit process, inform planning, reduce manual effort, and enhance the quality of audit results. Automated data collection and analysis will help reduce the time required to complete audits and improve the accuracy and consistency of audit results. Innovative ways of using and integrating artificial Intelligence in the delivery of audits in response to the exponential growth in data, and how it is analysed and used in the context of Internal Audit, is part of TIAA’s innovation strategy. We will also as part of our strategy be investigating more opportunities to not only use AI, but also to develop the capabilities to audit AI and the associated ethical considerations

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

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

*Audits completed since previous SICA report 2022-23*

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
HR Absence Management	Limited	29 <sup>th</sup> January 2023	8 <sup>th</sup> March 2023	8 <sup>th</sup> March 2023	-	9	1	-
Vetting	Reasonable	13 <sup>th</sup> December 2022	23 <sup>rd</sup> March 2023	23 <sup>rd</sup> March 2023	-	1	4	-
ICT Cyber Security	Reasonable	12 <sup>th</sup> January 2023	24 <sup>th</sup> March 2023	24 <sup>th</sup> March 2023	-	5	-	-

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Treasury Management	Substantial	20 <sup>th</sup> March 2023	29 <sup>th</sup> March 2023	31 <sup>st</sup> March 2023	-	-	-	-
Collaborative - Payroll	Substantial	20 <sup>th</sup> February 2023	19 <sup>th</sup> April 2023	20 <sup>th</sup> April 2023	-	-	1	-
Follow Up	N/A	31 <sup>st</sup> March 2023	21 <sup>st</sup> April 2023	24 <sup>th</sup> April 2023	N/A	N/A	N/A	N/A
Collaborative – Fleet Management Strategy	Substantial	24 <sup>th</sup> November 2022	28 <sup>th</sup> April 2023	28 <sup>th</sup> April 2023	-	-	-	3
Collaborative- Counter-Fraud (Anti-Fraud Procurement)	Substantial	14 <sup>th</sup> February 2023	16 <sup>th</sup> May 2023	19 <sup>th</sup> May 2023	-	-	-	-
Health and Safety Management	Limited	15 <sup>th</sup> March 2023	8 <sup>th</sup> June 2023	13 <sup>th</sup> June 2023	-	3	-	-

*Audits completed since previous SICA report – 2023/24*

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Estates Management – Strategy	Substantial	21 <sup>st</sup> June 2023	4 <sup>th</sup> July 2023	5 <sup>th</sup> July 2023	-	-	1	-

6. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified, although attention will be drawn to the limited assurance reports..

#### **Progress against the 2022/23 and 2023/24 Annual Plan**

7. Our progress against the Annual Plans for 2022/23 and 2023/24 is set out in Appendices A and B respectively.

#### **Changes to the Annual Plan 2022/23**

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

#### **Progress in actioning priority 1 recommendations**

9. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA..

## Root Cause Indicators

10. 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 since the previous quarter.

### RCI – Direction of Travel Assessment

Root Cause Indicator	Qtr 1 (2022/23)	Qtr 2 (2022/23)	Qtr 3 (2022/23)	Qtr 4 (2022/23)	Qtr 1 (2023/24)	Medium term Direction of Travel	Audit Observation
<b>Directed</b>							
Governance Framework	-	50% (1)	-	4% (1)		↓	
Risk Mitigation	-	50% (1)	-	-		↔	
Control Compliance	70% (7)	-	-	96% (24)	84% (20)	↓	The majority of recommendations continue to relate to compliance.
<b>Delivery</b>							
Performance Monitoring	-	-	-	-	4% (1)	↑	
Sustainability	-	-	-	-	4% (1)	↑	
Resilience	30% (3)	-	-	-	8% (2)	↑	

NB – The figures in Quarter 1 2023/24 relates to the final reports 2022/23 work. The one completed review for Estates Management – Strategy will be recorded in quarter 2 figures.

## Frauds/Irregularities

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

## Other Matters

12. We have issued a number of briefing notes and fraud digests, shown in Appendix D, 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
Failure to prevent fraud offence	To be provided by North Wales Police in the Internal Audit update

Fraud Alert	Management Response
Fraud Stop Spring 2023	To be provided by North Wales Police in the Internal Audit update
Fraud Smart – All scams awareness week	
Payment Systems Regulator confirms new requirements for Authorised Push Payment fraud reimbursement	

13. TIAA recently hosted a series of webinars, during which we spoke about our campaign relating to Organisational Culture and Whistleblowing, to raise its profile and get it high on the agenda for Boards and Committees to invest in. We are sorry that you were unable to attend on this occasion. A link to the recording is provided below:

<https://youtu.be/THwP5eY2AYs>

## Responsibility/Disclaimer

14. 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.

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## Progress against Annual Plan 2022-23

System	Planned Quarter	Current Status	Comments
<b>Collaborative – Pan Wales</b>			
Creditors	2	Final report issued 24 <sup>th</sup> January 2023	Presented to March 2023 JAC
Fleet Management – Strategy	3	Final report issued 28 <sup>th</sup> April 2023	Presented to July 2023 JAC
Counter-Fraud (Anti-Fraud Procurement)	3	Final Report Issued 19 <sup>th</sup> May 2023	Presented to July 2023 JAC
Payroll	2	Final report issued 20 <sup>th</sup> April 2023	Presented to July 2023 JAC
Risk Management – Mitigating Risk	1	Final report issued 31 <sup>st</sup> August 2022	Presented to October 2022 JAC
Capital Programme	3	Final report issued 5 <sup>th</sup> January 2023	Presented to March 2023 JAC
Expenses and Additional Payments	2	Final report issued 16 <sup>th</sup> January 2023	Presented to March 2023 JAC
Fixed Assets – ICT Assets	2	NWP deferred to 2023/24	Requested by Management
HR – Use of OLEEO	4	Draft report issued 11 <sup>th</sup> July 2023	Lead Force - NWP
<b>North Wales Only</b>			
Health and Safety Management	3	Final report issued 13 <sup>th</sup> June 2023	Presented to July 2023 JAC
Treasury Management	3	Final report issued 31 <sup>st</sup> March 2023	Presented to July 2023 JAC
Vetting	2	Final report issued 23 <sup>rd</sup> March 2023	Presented to July 2023 JAC
Cyber Security	3	Final report issued 24 <sup>th</sup> March 2023	Presented to July 2023 JAC
HR Absence Management	3	Final report issued 8 <sup>th</sup> March 2023	Presented to July 2023 JAC
Firearms Licensing	3	Final report issued 6 <sup>th</sup> March 2023	Presented to March 2023 JAC
Estates Management – Delivery	1	Final report Issued 1 <sup>st</sup> July 2022	Presented to July 2022 JAC
Wellbeing and Strategy	1	Final report Issued 27 <sup>th</sup> July 2022	Presented to October 2022 JAC

System	Planned Quarter	Current Status	Comments
Contract Management – (Building/ICT/Services Project 2022/23)	1	Final report issued 7 <sup>th</sup> September 2022	Presented to October 2022 JAC
Pensions	2	Final report issued 9 <sup>th</sup> November 2022	Presented to December 2022 JAC
Central Area – Command Unit	1	Final report issued 14 <sup>th</sup> November 2022	Tabled at December 2022 JAC
Property Subject to Charge (Evidential Property)	1	Final report issued 15 <sup>th</sup> November 2022	Presented to December 2022
Corporate Communications	1	Final report issued 17 <sup>th</sup> November 2022	Presented to March 2023 JAC
Fleet Management – Repairs	3	Final report issued 28 <sup>th</sup> February 2023	Presented to March 2023 JAC
ICT Change Management	2	Deferred to 2023/24	
Community Engagement	2	Deferred to 2023/24	Deferred at the request of Management
Liaison with Audit Wales Management	01-Apr	N/A	
Follow-up	4	Final report issued 24 <sup>th</sup> April 2023	Presented to July 2023 JAC
Annual Planning	1	Final report issued 30 <sup>th</sup> June 2022	
Annual Report	4		
Audit Management	1-4		

## Progress against Annual Plan -2023-24

System	Planned Quarter	Current Status	Comments
<b>Collaborative – Pan Wales</b>			
Data Protection Act	2		
Risk Management	3	Planned start date 18th September 2023	
Property Subject to Charge (Evidential Property)	3	Planned start date 29 <sup>th</sup> January 2024	
Treasury Management	3	Planned start date 9 <sup>th</sup> October 2023	
Payroll	3	Planned start date 27 <sup>th</sup> October 2023	
Counter-Fraud (Anti-Fraud Procurement)	3	Planned start date 11th December 2023	
Debtors	3	Planned start date 6 <sup>th</sup> November 2023	
Telematics	4	Planned start date 23 <sup>rd</sup> February 2024	
<b>North Wales Police only</b>			
Estates Management - Strategy	1	Final Report Issued	
Fixed Assets – ICT Assets	1		Moved to Q3 at the request of Management
Eastern Area – Command Unit	1	Fieldwork completed	
Capital Programme	2	Planned start date 11 <sup>th</sup> September 2023	
HR Absence Management linked to Agility	2	Planned start date 4 <sup>th</sup> September 2023	
Occupational Health Unit	2	Planned start date 12 <sup>th</sup> September 2023	
Purchasing/Creditors	2	Planned start date 21 <sup>st</sup> August 2023	
General Ledger	2	Planned start date 17 <sup>th</sup> July 2023	
ICT Data Assurance	2		

System	Planned Quarter	Current Status	Comments
Procurement	2	Planned start date 7 <sup>th</sup> August 2023	
Budgetary Control	2	Planned start date 10 <sup>th</sup> Jul 2023	
ICT Change Management	2		
Community Engagement	3	Planned start date 25 <sup>th</sup> September 2023	
ICT Infrastructure Review	3		
Governance - Collaborations and Partnerships	3	Planned start date 9 <sup>th</sup> October 2023	
Fleet Management - Fuel	3	Planned start date 29 <sup>th</sup> January 2024	
Follow-up	3		
Liaison with Audit Wales	1-4		
Annual Planning	1	Final report issued 23 <sup>rd</sup> June 2022	
Annual Report	4		

**KEY:**

	To be commenced		Site work commenced		Draft report issued		Final report issued
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## 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 were no Priority one recommendations						

**KEY:**

**Priority Gradings 1**

<b>1</b>	<b>URGENT</b>	Fundamental control issue on which action should be taken immediately.
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**Risk Mitigation**

<b>CLEARED</b>	Internal audit work confirms action taken addresses the risk exposure.	<b>ON TARGET</b>	Control issue on which action should be taken at the earliest opportunity.	<b>EXPOSED</b>	Target date not met & risk exposure still extant
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## 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
23006	Failure to prevent fraud offence		<b>Action Required:</b> For information only to Audit Committees and Boards / Governing Bodies

### Summary of recent Anti-Crime (Fraud Alerts)

Ref	Subject	Status	TIAA Comments
May 2023	Fraud Stop – Spring 2023	N/A	<b>Action Required</b> <ul style="list-style-type: none"> <li>For information</li> </ul>
May 2023	Fraud Smart – All scams awareness week	N/A	<b>Action Required Not Urgent</b> For information
June 2023	Payment Systems Regulator confirms new requirements for Authorised Push Payment fraud reimbursement		<b>Action Required</b> This alert provides information and advice to staff about fraud and economic crime, and the risks associated with it. If you think that your organisation has been a victim of APP fraud, contact your Anti-Crime Specialist immediately for advice.



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

Indicative Audit Strategy 2023/26 and Annual Plan 2023/24

2023/24



June 2023

FINAL

# OVERVIEW

## Introduction

The Audit Plan for 2023/24 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 the macroeconomic and financial environment, spiralling costs and the labour market. We have identified a number of key areas which will individually and collectively affect the sector in various ways; these require consideration when planning internal audit coverage.

**Macroeconomic and financial environment:** The UK economy has experienced a sequence of significant events including Brexit, the pandemic and the conflict in Ukraine. Further challenges lie ahead as the government seeks to cut spending and raises taxes to plug the gap in the UK's finances. Rapid and increasingly prolonged inflation, rising interest rates, shortages in the labour market and continuing supply chain disruption are leading to increased costs and a challenging financial situation for many.

**Increasing wage demands:** One of the consequences of the economic situation is demands for significant pay increases to help combat the effect of inflation and a perceived lack of pay progression for over a decade. This has seen strike action taking place or planned by rail workers, postal workers, lecturers, bus drivers and nurses. This will put pressure on organisational budgets and present challenges in recruitment.

**Cyber security:** This continues to be one of the highest ranked risks for organisations and shows no sign of going away. The widespread move to remote working and increased online service delivery has made organisations more vulnerable to phishing, malware, and ransomware attacks, particularly where there has been a lack of investment in infrastructure.

**Climate change:** Global warming can lead to physical, operational, financial and reputational risks arising. 'Loss and damage' - the phrase used to describe the destruction being wrought by the climate crisis - will remain high on the agenda. Aside from the obvious environmental impact, climate change can stress local economies, threaten business models and pose widespread disruption to organisations.

**Vetting:** HMICFRS' inspection into police vetting in the wake of the Sara Everard case found that it was falling well below the standards required. It identified that cultural shortcomings were prevalent in all of the forced inspected and warning signs that were not acted upon. The report is long and comprehensive and contains 43 recommendations and five areas for improvement. The deadlines for implementation of the recommendations are relatively tight, being April and October 2023.

## Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2023/24 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of 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 2023/24, 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 Police and Crime Commissioner 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). In 2022, TIAA commissioned an External Quality Assessment (EQA) of its internal audit service. The independent EQA assessor was able to conclude that TIAA 'generally conforms to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF)'. 'Generally conforms' is the highest rating that can be achieved using the IIA's EQA assessment model.

## Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing Police and Crime Commissioner and the Chief Constable. We take in to account any emerging or heightened risks that are facing the sector, 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 Plan (Appendix B) 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 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 Police and Crime Commissioner 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 Police and Crime Commissioner and the Chief Constable agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Director of Finance and Resources 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.

<b>Date plan issued:</b>	10 <sup>th</sup> March 2023	<b>Date 2<sup>nd</sup> revised plan issued:</b>	23 <sup>rd</sup> June 2023
<b>Date revised plan issued:</b>	2 <sup>nd</sup> June 2023	<b>Date final plan issued:</b>	23 <sup>rd</sup> June 2023

## APPENDIX A: ROLLING STRATEGIC PLAN

Review Area	Type	2023/24	2024/25	2025/26
<b>Governance</b>				
Community Engagement	Assurance	10		
Governance - Collaborations and Partnerships	Assurance	10		
Health and Safety Management	Assurance		8	
Performance Management	Assurance		10	
Business Continuity Planning	Assurance		8	
Corporate Communications	Assurance			10
Strategic Resource Planning	Assurance			10
<b>Risk</b>				
Risk Management Mitigating Controls (Collaborative in 2022/23)	Compliance	*	5	5
<b>ICT</b>				
ICT Infrastructure Review	Assurance	8		
Data Assurance	Assurance	8		
Data Protection	Assurance	*		
Network Security			8	
Cyber Security	Assurance		8	
ICT Change Management	Assurance	8		8
ICT Fixed Assets (Collaborative in (2022/23)	Assurance	5		6
<b>Finance</b>				
Budgetary Control	Assurance	6		6
General Ledger	Assurance	6		6
Payroll	Assurance	*	8	8
Creditors (Collaborative in 2022/23)	Assurance	6	5	5

Review Area	Type	2023/24	2024/25	2025/26
Debtors	Assurance	*	6	6
Expenses and Additional Payments (Collaborative in 2022/23)	Assurance		8	
Pensions	Assurance			6
Treasury Management	Assurance	*	4	4
Capital Programme (Collaborative in 2022/23) (Project Management not Financial Management)	Assurance	8	8	8
Counter-Fraud (Collaborative in 2022/23)	Compliance	*	6	6
<b>Estates and Fleet</b>				
Fleet Management – Fuel	Compliance	6		
Fleet Management – Repairs (inc BMW Issues)	Compliance		5	
Fleet Strategy (Collaborative in 2022/23)	Assurance			4
Estates Management – Strategy	Assurance	6		
Estates Management – Delivery	Compliance			6
<b>Operational Performance and Infrastructure</b>				
Eastern Area – Command Unit	Compliance	8		
Western Area – Command Unit	Compliance		8	
Central Area – Command Unit	Compliance			8
Property Subject to Charge (Evidential Property)	Compliance	*	6	
Procurement	Assurance	8		8
Contract Management – (Building/ICT/Services Project 2022/23)	Compliance		6	
Commissioners Grants	Assurance		6	
Vetting (uplift officers, new recruits and transferees)	Compliance			6
Firearms Licensing	Compliance			6
<b>Workforce</b>				
HR Absence Management linked to Agility	Assurance	6		

Review Area	Type	2023/24	2024/25	2025/26
Occupational Health Unit	Assurance	5	5	
HR Management Strategy	Assurance		10	
Wellbeing and Strategy	Assurance			10
Organisational Development	Assurance			7
<b>Follow Up</b>				
Follow Up	Follow Up	6	6	6
<b>Collaborative Reviews (Leads in brackets)</b>				
Data Protection (Lead Force: Gwent)	Assurance	6		
Risk Management (Lead Force: Gwent)	Compliance	5		
Property Subject to Charge (Evidential Property) (Lead Force: South Wales)	Compliance	6		
Treasury Management (Lead Force: North Wales)	Assurance	4		
Payroll (Lead Force: North Wales)	Assurance	6		
Counter-Fraud (Anti-Fraud Procurement) (Lead Force: North Wales)	Assurance	6		
Debtors (Lead Force: Dyfed-Powys)	Assurance	6		
Telematics (Lead Force: South Wales)	Assurance	4		
<b>Management and Planning</b>				
Liaison with Audit Wales	Management	2	2	2
Contingency	N/A			
Annual Planning	Management	4	4	4
Annual Report	Management	4	4	4
Audit Management	Management	18	18	18
Total Days		<b>191</b>	<b>172</b>	<b>183</b>

<sup>1</sup> \* denotes included as a collaborative review in 2023/24

## APPENDIX B: COLLABORATIVE ANNUAL PLAN – 2023/24

Quarter	Review	Type	Days	High-level Scope
2	Data Protection Act	Assurance	6	<p>The review considers compliance with the Data Protection Act 2018 incorporating the General Data Protection Requirement including the policies, procedures and systems in place.</p> <p><b>All four forces.</b> <b>Lead force: Gwent Police</b></p>
3	Risk Management	Compliance	5	<p>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 will also consider the effectiveness of mitigating actions on outcomes. The scope of the review does not include consideration of all potential mitigating arrangements.</p> <p><b>The three forces are Gwent Police, Dyfed Powys Police and North Wales Police</b> <b>Lead force: Gwent Police</b></p>
3	Property Subject to Charge (Evidential Property)	Compliance	6	<p>The review will appraise the effectiveness of the controls over the arrangements for Property Subject to Charge.</p> <p><b>The three forces are South Wales Police, Dyfed Powys Police and North Wales Police</b> <b>Lead force: South Wales Police</b></p>
3	Treasury Management	Assurance	4	<p>The review considered the arrangements for controlling the investment and borrowing arrangements; compliance with the organisation's overall treasury management policy; reconciliations; and treasury management reporting to committee. The scope of the review did not include consideration of the appropriateness of any individual financial institution or broker or of individual investment decisions made by the Organisation.</p> <p><b>The three forces are South Wales Police, Gwent Police and North Wales Police</b> <b>Lead force: North Wales Police</b></p>
3	Payroll	Assurance	6	<p>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.</p> <p><b>All four forces</b> <b>Lead Force: North Wales</b></p>

Quarter	Review	Type	Days	High-level Scope
3	Counter-Fraud (Anti-Fraud Procurement)	Assurance	6	<p>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.</p> <p>All four forces Lead Force: North Wales</p>
3	Debtors	Assurance	6	<p>The review considers the raising of debtor accounts, collection of income, receipting, storage and banking of income received by the organisation. The scope of the review does not include identification of the activities giving rise to income for the organisation, the basis of calculating the rates to be charged or that all income receivable has been identified.</p> <p><b>All four forces</b> <b>Lead Force: Dyfed-Powys</b></p>
4	Telematics	Assurance	4	<p>Further to the audit undertaken in 2022/23 the review will consider the use and effectiveness of iR3 – Police Fleet Management System including the reporting of performance. The review will not comment on the accuracy of reported efficiencies obtained through use of the system.</p> <p><b>All four forces.</b> <b>Lead force: South Wales Police</b></p>
<b>Total</b>			<b>43</b>	

## APPENDIX C: ANNUAL PLAN NORTH WALES POLICE– 2023/24

Quarter	Review	Type	Days	High-level Scope
1	Fixed Assets – ICT Assets	Compliance	5	<p><u>Rationale</u></p> <p>Deferred from the Collaborative review in 2022/23.</p> <p><u>Scope</u></p> <p>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.</p>
1	Estates Management – Strategy	Assurance	6	<p><u>Rationale</u></p> <p>Cyclical review to ensure estates strategy addresses key issues and meets institutional needs.</p> <p><u>Scope</u></p> <p>The review considers the governance arrangements for the delivery of the outcomes in the Estate Strategy. The scope includes how the Strategy is developed, compiled, configured and monitored.</p>
1	Eastern Area – Command Unit	Compliance	8	<p><u>Rationale</u></p> <p>Key risk area, included in the plan on a cyclical basis.</p> <p><u>Scope</u></p> <p>The review assesses compliance with the key corporate procedures for Financial, HR, Duty of Care and Service Delivery.</p>
2	Capital Programme	Assurance	8	<p><u>Rationale</u></p> <p>Key financial risk area completed bi-annually.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for accounting for the general capital programme and will focus on the project management arrangements and not the financial arrangements. The scope of the review does not include consideration of the funding arrangements or the specification of the projects.</p>
2	HR Absence Management linked to Agility	Assurance	6	<p><u>Rationale</u></p> <p>Review of HR Management arrangements included in each year of the plan. Limited Assurance in 2022/23.</p> <p><u>Scope</u></p> <p>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.</p>

Quarter	Review	Type	Days	High-level Scope
2	Occupational Health Unit	Assurance	5	<p><u>Rationale</u></p> <p>Subject to an advisory review in 2020/21, requested by management.</p> <p><u>Scope</u></p> <p>The review will consider the arrangements the Force has in place to follow best practice as set out within with the Foundation Occupational Health Standards for Police Forces, including the follow up of recommendations raised in the 2020/21 audit review of this area.</p>
2	Purchasing/Creditors (On site)	Assurance	6	<p><u>Rationale</u></p> <p>Key risk area and conducted annually.</p> <p><u>Scope</u></p> <p>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 funding account for journals, direct debit payments, petty cash arrangements and the timeliness of payments. 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.</p>
2	General Ledger	Assurance	6	<p><u>Rationale</u></p> <p>Key financial risk area completed annually.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for providing an effective audit trail for data entered onto the general ledger and the appropriateness of the reports generated. The scope of the review does not extend to the budgetary control arrangements and bank reconciliations.</p>
2	ICT Data Assurance	Assurance	8	<p><u>Rationale</u></p> <p>Key risk area</p> <p><u>Scope</u></p> <p>The review considers the arrangements for the approval process for permitting electronic data to be passed to third parties, the data security arrangements and the transit arrangements designed to minimise unauthorised access to the data whilst it is in transit and the monitoring arrangements. The review will include data protection and impact assessments. The scope of the review does not include consideration of the IT network and application security arrangements or the need to transfer the specific data to specific third parties.</p>

Quarter	Review	Type	Days	High-level Scope
2	Procurement	Assurance	8	<p><u>Rationale</u> Key financial risk.</p> <p><u>Scope</u> The review considers the arrangements for the identification of need, sourcing, approving and receipt of goods and services, including tendering arrangements and how value for money is considered in the overall procurement arrangements. The review will also consider contracts, tenders, sustainability and social value.</p>
2	Budgetary Control	Assurance	6	<p><u>Rationale</u> Key financial risk area.</p> <p><u>Scope</u> The review considers the budget preparation process, the monitoring arrangements, and reporting to the board. The scope of the review does not include consideration depreciation policies; apportionment of central costs; or financial information included in tenders prepared by the organisation. Lead Force: North Wales Police</p>
2	ICT Change Management	Assurance	8	<p><u>Rationale</u> <u>Rolling programme of technical ICT reviews covering key risk areas.</u></p> <p><u>Scope</u> <u>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.</u></p>
3	Community Engagement	Assurance	10	<p><u>Rationale</u> Key area of Governance, part of a rolling programme of Governance reviews, deferred from 2022/23.</p> <p><u>Scope</u> The review will consider the effectiveness of the Community Engagement strategies for the Force and the Police and Crime Commissioner.</p>
3	ICT Infrastructure Review	Assurance	8	<p><u>Rationale</u> ICT risk underpins all business systems.</p> <p><u>Scope</u> The review appraises the effectiveness of the ICT infrastructure in supporting delivery of the Police and Crime Plan objectives. Further detailed scope of the review will be prepared by the Technical ICT Auditor and ICT staff at North Wales Police.</p>

Quarter	Review	Type	Days	High-level Scope
3	Governance - Collaborations and Partnerships	Assurance	10	<p><u>Rationale</u> Increasing collaboration.</p> <p><u>Scope</u> The scope of the review will consider the effectiveness of the governance of the collaborative arrangements in place across sectors from the perspective of North Wales Police</p>
4	Fleet Management - Fuel	Assurance	6	<p><u>Rationale</u> A review of an aspect of Fleet Management has been included in each year of the plan. High area of spend.</p> <p><u>Scope</u> The review will consider the effectiveness of the arrangements for fuel usage in order to provide value for money. The review will also consider the new fuel card arrangements.</p>
4	Follow-up	Follow up	6	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the Police and Crime Commissioner and Chief Constable are implementing recommendations, and providing reports to the Joint Audit Committee.
1-4	Liaison with Audit Wales		2	Ongoing liaison with Audit Wales
1	Annual Planning	Management	4	Assessing the Commissioner and 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).
<b>Total days</b>			<b>191</b>	

Note: The total includes 10 days carried forward from 2022/23.

## APPENDIX C: 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 Police and Crime Commissioner and the Chief Constable 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 Audit Committee.

### Definition of Internal Auditing

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

### 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 Police and Crime Commissioner and the Chief Constable's senior management and 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 Police and Crime Commissioner and the Chief Constable's 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 Police and Crime Commissioner and the Chief Constable's 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.

As well as providing the required level of assurance, TIAA's may engage in consultancy activity that contributes to the overall assurance that can be delivered to the Audit Committee.

TIAA may also conduct any special reviews requested by the Board, 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 Police and Crime Commissioner and the Chief Constable 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 Police and Crime Commissioner and the Chief Constable 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 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 Police and Crime Commissioner and the Chief Constable's 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 Police and Crime Commissioner and the Chief Constable'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 Police and Crime Commissioner and the Chief Constable and additional time will be required to carry out such testing. Police and Crime Commissioner and the Chief Constable 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 Police and Crime Commissioner and the Chief Constable'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.

### 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 ISO 9001:2015 accreditation.

### Audit Committee Responsibility

It is the responsibility of Police and Crime Commissioner and the Chief Constable 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 Audit Committee is also approving the Internal Audit Charter.

### 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 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 Police and Crime Commissioner and the Chief Constable'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.

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	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.
<b>Limited Assurance</b>	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.
<b>No Assurance</b>	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.

### 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.

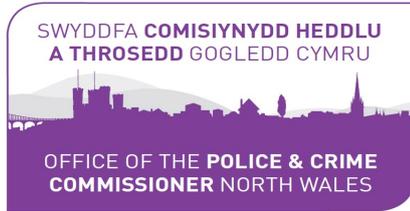
### Performance Standards

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%

**Joint Audit Committee**  
**Meeting Date: 27<sup>th</sup> July 2023**

<b>Title:</b>	Internal Control Report
<b>Author:</b>	Anne Matthews, Finance & Budget Officer
<b>Purpose of the report:</b>	To provide the Joint Audit Committee with an overview of Internal Control activity within the Force
<b>The report is provided to JAC for: (Tick one)</b>	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Information
<b>Summary / Key Points:</b>	<p>Having considered recent feedback, this report focusses on the management response to ongoing Internal Audit issues, focussing on avoiding duplication with the TIAA SICA report where possible. The report includes:</p> <ul style="list-style-type: none"> <li>• The recommendation status from previous TIAA Audits</li> <li>• The recommendations issued with revised due dates for implementation.</li> <li>• The management response regarding Client Briefing Notes, Fraud Alerts, Fraud Articles and Security Alerts issued in the period.</li> <li>• An Update on Limited Assurance audits</li> <li>• Internal Audit Action Updates regarding 28/03/2023 JAC Actions</li> <li>• Summary</li> </ul> <p>Supplementary detail is provided by the Appendices to the report, should it be required.</p> <p>Internal audit is a fixed agenda item discussed in the bi-monthly Joint Governance Board meetings; Internal audit is also discussed during monthly meetings held between the DFR, HoF and FBO.</p>
<b>Recommendations:</b>	None
<b>Risk Register Impact:</b>	TIAA control findings, Client Briefing Notes, Fraud Alerts and Anti-Crime Alerts have been considered for reflection on the Force Risk Register.
<b>Assurance Implications:</b>	This report is directly relevant to Internal Control Activity providing Assurance in North Wales Police.
<b>Equality Impact:</b>	None
<b>Information Exempt from Disclosure:</b>	N/A – All content in Open Session



**HEDDLU  
GOGLEDD CYMRU  
NORTH WALES  
POLICE**

## JOINT AUDIT COMMITTEE

### INTERNAL CONTROL REPORT – 27<sup>th</sup> July 2023

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

##### 1. INTRODUCTION

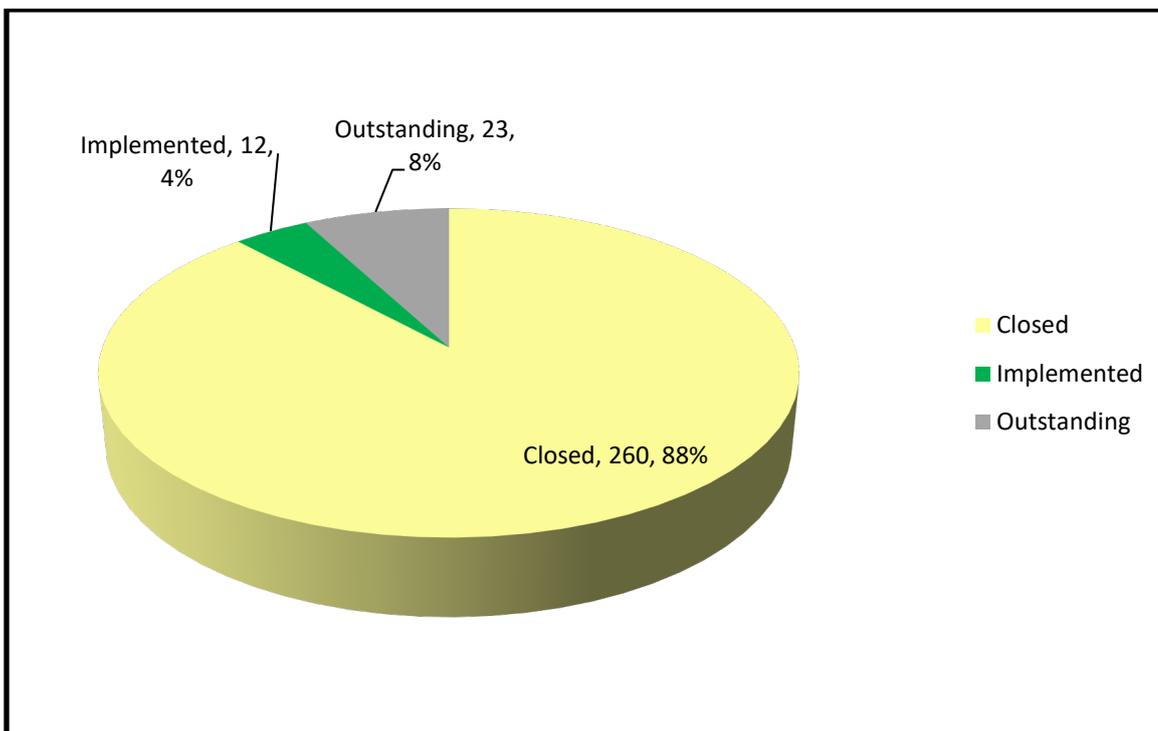
This report focusses on the management response to ongoing Internal Audit issues, focussing on avoiding duplication with the TIAA SICA report where possible.

The report includes:

- The recommendation status from previous TIAA Audits
- The recommendations issued with revised due dates for implementation.
- The management response regarding Client Briefing Notes, Fraud Alerts, Fraud Articles and Security Alerts issued in the period.
- An Update on Limited Assurance audits
- Internal Audit Action Updates regarding 28/03/2023 JAC Actions
- Summary

##### 2. RECOMMENDATION STATUS OF TIAA AUDITS

The position on Internal Audit recommendations as at 21/06/2023 is outlined below:



Movement since the last JAC meeting is as per the below:

- 24 new recommendations received during this period.
- 10 (new) recommendations implemented.
- 1 (existing) recommendations implemented.
- 1 (new) recommendation implemented and closed by TIAA during the Follow up
- 49 recommendations closed by TIAA on conclusion of Follow Up audit.

Summary of 11 recommendations that have been implemented since March meeting detailed below:

No of Recs				JAC MEETING
Priority	ID	Job	Rec status	27/07/2023
2	269641	22/23 Vetting	New	1
	259474	21/22 ICT – Network Security	Existing	1
	268990	22/23 Fleet Management – Repairs	New	1
	268992	22/23 Fleet Management – Repairs	New	1
	269288	22/23 HR Absence Management	New	1
	269289	22/23 HR Absence Management	New	1
3	269642	22/23 Vetting	New	1
	269643	22/23 Vetting	New	1
	269644	22/23 Vetting	New	1
	270152	22/23 Payroll - Collaborative	New	1
	266219	21/22 – Data Protection	New	1
<b>Grand Total</b>				<b>11</b>

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

The **accumulative** total of 12 implemented recommendations as at 21/06/2023 is outlined below:

Status Summary - Implemented	Category	No
Implemented on or before original due date	Cat 1	6
Implemented on or before 1st revised due date	Cat 2	0
Implemented on or before 2nd revised due date	Cat 3	1
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	5
		<b>12</b>

Analysis of the 23 outstanding recommendations as at 21/06/2023 is also outlined below:

Status Summary - Outstanding Recommendations	Category	No
No of Recommendations - still on original due date	Cat 1	17
No of Recommendations - 1st revised due date	Cat 2	4
No of Recommendations - 2nd revised due date	Cat 3	1
No of Recommendations - 3rd revised due date	Cat 4	0
No of Recommendations - 4th revised due date	Cat 5	1
No of Recommendations - 5th revised due date	Cat 6	0
No of Recommendations - Overdue	Cat 7	0
		<b>23</b>

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 23 outstanding recommendations and how they tally to each audit is provided on Appendix 1, page 7.

The latest position and update regarding the 23 outstanding recommendations is included in Appendix 2, pages 8-13. This includes the Responsible Officer for each outstanding action with roles, rather than individual names included in the report.

**3. RECOMMENDATIONS ISSUED WITH REVISED DUE DATES FOR IMPLEMENTATION**

Collaborative Project Review – Office 365

Recommendations 249424, 249425 & 249426 – Redacted, information in Closed Session Report.

**4. 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 - 19016-23006	54	1	0	0
Fraud Alerts - FA024 -FA033	36	0	0	0
Fraud Articles - FA001-FA005	5	0	0	0
Security Alerts - SA001 - SA003	3	0	0	0

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

There was one CBN, no Fraud alerts, Fraud articles or security alerts issued in the period 01/03/2023 to 21/06/2023.

CBNs

- CBN-22026 – Failure to prevent fraud offence – for information only – circulated and closed.

Fraud Alerts

- None

Fraud Articles – for information purposes only

- None

Security Alerts

- None

“TIAA’s Top Five Scam” publication was received and uploaded to Fy Llais for general information for officers/staff. This was part of TIAA’s Scam awareness week.

## 5. UPDATE ON LIMITED ASSURANCE AUDITS

### ICT Fixed Assets

2021/2022 Fixed Assets - ICT – Limited Assurance – 6 important recommendations.

As previously reported all recommendations were implemented on 07/06/2022 and closed by TIAA on completion of the Follow Up audit in February/March 2023.

Risk 101 is still on the Force Risk register; the current status of the risk is “Low”.

As previously stated, the Fixed Assets audit was deferred to 2023/2024 and has been booked in during September 2023; it was deferred to allow the new targeted operating model which came into effect on 01/04/2023 to bed in; it is deemed there will be more value if TIAA audit the new process.

### Property Subject to Charge (PSTC) – Limited Assurance

2022/23 Property Subject to Charge (PSTC) – Limited Assurance – 12 recommendations.

The PSTC audit was undertaken in September 2022; an extra day was authorised and used to check seized cash exhibits. As per previous report all 12 recommendations were implemented and then closed by TIAA on completion of the Follow Up audit in February/March 2023.

PSTC will be undertaken as a collaborative audit with South Wales Police, North Wales Police and Dyfed Powys Police in 2023/2024; dates to be confirmed although expected in Q4 January 2024.

### HR – Absence Management – currently in draft format (28/02/2023)

2022/2023 HR Absence Management – 9 x important and 1 x routine recommendations.

2 recommendations have been implemented.

8 recommendations are within implementation date.

- 7 of which are due for completion on 30/09/2023 and will be implemented once the current policy has been reviewed; once reviewed the policy will be sent out for consultation, any feedback received will be considered and if appropriate the policy will be updated. Once that aspect is complete the policy will be presented at the next available Assurance Board and if it is agreed at the Board, it will then be presented to the next SMT and then published on the Force Intranet.

The due date of 30/09/2023 was arrived at by considering the time frame for the review of the policy and the consultation process prior to the policy being ratified.

Latest update on these 7 recommendations (269283 – 269287, 269290 and 269292) - *The work on the policy is progressing and we have already shared an outline proposal with Fed/UNISON and will be going out to SMT's shortly. Once we have completed this we can then move this forward to formal consultation and thereafter implementation.*

- Recommendation 269291 is due to be implemented by 30/04/2024.

*Latest update - we have developed modules on Attendance Management for the first line leadership training (this was due to take place in June but has been cancelled, the next sessions are in October). Whilst that covers new first line managers, there is still a matter of wider training for line managers which I do not have ownership of. What we have discussed, is accompanying guidance, support, coaching and tools for managers which will be developed as part of the wider project and will align with the policy and procedure that is proposed and agreed. So, whilst we have begun to offer some training, this is more focussed currently on best practice and principles until we firm up the new policy and roll it out.*

## Health and Safety Management – Limited Assurance

2022/2023 Health and Safety Management (HSM) – 3 x important recommendations

Although this report has come back as limited assurance the number of recommendations has dramatically reduced; Tiaa have also identified good practice.

TIAA have also noted that the percentage of RIDDORs not reported to HSE within the statutory 15 day limit has reduced from 80% to 20%. To get this into context the 20% represents two instances where an officer and his supervisor were both injured at the same incident. On their return they both submitted reports which the Health and Safety Manager passed on to HSE, however, the statutory 15 day limit was breached due to the length of absence of the officers.

Extract from HSM audit report:

*The 2021/22 review highlighted that 80% (8 instances) of RIDDOR – Reporting of Injuries, Diseases and Dangerous Occurrences Regulations were reported beyond the deadline of 15 days set by the Health and Safety Executive (HSE). It is clear that significant effort has been made by the Health and Safety Team to reduce the number of late submissions of RIDDORs. Testing of a sample of ten submissions showed that the number of RIDDOR reports made beyond the 15-day statutory requirement had reduced to 20% (2 instances). The two reports related to one incident whereby a Police Constable and Sergeant were involved in the same incident and both went off sick and both submitted the injury reports on return, this was reported to the Director of Finance and Resources in Senior Management Meetings meeting and was escalated to the ACC (Assistant Chief Constable) with all information retained in a mitigation file.*

Recommendation 271372 was issued to address the timeliness in reporting to HSE. Responsibility for this recommendation lies with the DFR as the Health and Safety Champion for NWP.

In addition to the ongoing work that the Health and Safety Manager and his Team undertake the following has been done to increase the levels of engagement from LPS:

- Vlogs from the Chief Constable
- Vlogs from DFR
- Attendance/discussion at SLT and the potential follow on actions.
- The quarterly attendance at SLT moving forwards.
- The scope of Divisional Command Unit audits has been amended to include H&S, A879, HS1, RIDDOR reporting and DSEs. There are three divisions, Western, Central and Eastern and they are carried out on a cyclical basis, 2023/24 audit is currently underway in Eastern Division.

**Recommendations 271373 and 271374** were issued in relation to HSM training being provided to officers and staff as they are promoted to supervisory positions and provision of training to existing Supervisors. Training of officers and staff is undertaken by the Force Trainers and as such the Head of Training has responsibility for these recommendations. This training will commence from 30/06/2023.

## **6. INTERNAL AUDIT ACTION UPDATES STEMMING FROM 28/03/2023 JAC MEETING**

**AP5 (28/03/2023) - Internal Audit SICA 2022-2 Director of Finance and Resources to review and consider if any further action/processes need to be put in place when expenses are being claimed to ensure legitimacy.**

The expenses process is via our online HR self-service system.

It places the emphasis on the Individual claiming who needs to certify that their submissions are legitimate based on them having read, understood and adhered to the Expenses & Allowances Policy.

The policy states that NWP will reimburse expenditure incurred provided it is:

- Necessary
- Reasonable
- In addition to what the employee would have otherwise incurred AND
- Backed by a receipt.

Submitting a claim contrary to this can lead to a full recovery of expenses claimed and if deemed appropriate, disciplinary action.

However, expense claims need line manager authorisation. Hence, general processes are appropriate and in place.

**AP7 (28/03/2023) - Internal Audit Overview – Management Report - Finance and Budgets Officer to share the North Wales internal audit plan for 2023/24 with members for approval outside the meeting.**

Draft audit plan was uploaded to the JAC google drive on 04/04/2023; Finance and Budget Officer sent a covering email requesting any feedback, no feedback was received and the 2023/2024 annual plan was finalised 23/06/2023. This plan may be amended in the future to meet the requirements of NWP.

**AP8 (28/03/2023) - Internal Audit Overview – Management Report - Director of Finance and Resources and Finance and Budgets Officer to summarise and ensure that updates are provided against actions identified by internal audit.**

Routinely work is done to ensure that actions are updated. The Budget Monitoring Officer diligently chases responsible officers for Updates. Updates have been provided for all recommendations since the last meeting.

The action was discussed post meeting. Of particular relevance were the TIAA recommendations linked with 'NEP Phase 2'. The relevant recommendations were 249424, 249425 and 249426.

The DFR has held several working group meetings to ensure that the JAC members are briefed on this issue and that the updates to these recommendations (which remain long term) provide sufficient detail for the July JAC meeting.

**7. SUMMARY**

This report is provided to the Joint Audit Committee to provide assurance around the internal control activity taking place in the period supplementing the information held within the TIAA SICA report.

**Appendix 1** - Analysis of the 23 outstanding recommendations and how they tally to each audit.

No	ID	Service	Job	Year	Risk Area	Type	Recs Monitored Via	Linked to Risk Register
001 002 003	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
004	263859	Internal Audit	21/22 Counter Fraud (Anti-Fraud Procurement) - Collaborative	2021	Directed Risk	New	Quarterly Joint Governance Board	-
005 006	267051 267052	Internal Audit	22/23 Central Area- Command Unit	2022	Directed Risk	New	Quarterly Joint Governance Board; SMT	-
007 008 009 010 011 012 013 014	269283 269284 269285 269286 269287 269290 269291 269292	Internal Audit	22/23 HR Absence Management	2022	Directed Risk	New	Quarterly Joint Governance Board; SMT	-
015	269645	Internal Audit	22/23 Vetting	2022	Delivery Risk	New	Quarterly Joint Governance Board; SMT	
016 017 018 019 020	269697 269698 269699 269700 269701	ICT Audit	22/23 ICT Cyber Security	2022	Directed Risk	New	Quarterly Joint Governance Board	10 Network Security Risk from External Evidence 11 Encryption of Disks 46 Digital Transformation 60 Cyber Security Threats 72 Data Protection
021 022 023	271372 271373 271374	Internal Audit	22/23 Health and Safety Management	2022	Directed Risk	New	Quarterly Joint Governance Board; SMT; Quarterly Health and Safety Board	-

**Appendix 2 – Latest Management Response relating to Outstanding Recommendations**

Overview

Priority Level	No	Job	Original Due Date	Revised Due Date	No of Recs
2	001	20/21 Collaborative Project Review – Office 365	31/03/2022	29/02/2024	1
	002	20/21 Collaborative Project Review – Office 365	30/09/2023		1
	004	21/22 Counter Fraud (Anti-Fraud Procurement) - Collaborative	31/12/2022	31/08/2023	1
	005	22/23 Central Area – Command Unit	28/02/2023	31/07/2023	1
	006	22/23 Central Area – Command Unit	28/02/2023	31/07/2023	1
	007	22/23 HR Absence Management	30/09/2023		1
	008	22/23 HR Absence Management	30/09/2023		1
	009	22/23 HR Absence Management	30/09/2023		1
	010	22/23 HR Absence Management	30/09/2023		1
	011	22/23 HR Absence Management	30/09/2023		1
	014	22/23 HR Absence Management	30/09/2023		1
	015	22/23 HR Absence Management	30/04/2024		1
	018	22/23 ICT-Cyber Security	30/09/2023		1
	019	22/23 ICT-Cyber Security	30/09/2023		1
	020	22/23 ICT-Cyber Security	30/09/2023		1
	021	22/23 ICT-Cyber Security	30/09/2023		1
	022	22/23 ICT-Cyber Security	31/03/2024		1
	023	22/23 Health and Safety Management	30/06/2023		1
	024	22/23 Health and Safety Management	30/06/2023		1
	025	22/23 Health and Safety Management	30/06/2023		1
3	003	20/21 Collaborative Project Review – Office 365	30/09/2022	28/02/2024	1
	016	22/23 HR Absence Management	30/09/2023		1
	017	22/23 Vetting	31/12/2023		1
<b>Grand Total</b>					<b>23</b>

Latest updates

No	ID	Job	Year	Risk Area	Recommendation	Priority	Management Comments	Responsible Officer	Date final report issued	Due Date	Revised Due Date	Category	Latest Response
001	249424	REDACTED											
002	249425	REDACTED											
003	249426	REDACTED											
004	263859	21/22 Counter Fraud (Anti-Fraud Procurement) - Collaborative	2021	Directed Risk	The Counter Corruption Policy be reviewed and updated as planned.	2	PSD are fully aware of the need to review the CCU and this is currently underway, however the national picture is evolving at pace and a number of areas of the policy will be effected.	Detective Supt, PSD	20/07/2022	31/12/2022	31/08/2023	2	<p>28/10/2022 - update received from Det/Supt PSD - This matter still remains outstanding, but progress is being made in that we are allocating areas of the policy to specific owners within PSD so we can make progress on any changes required.</p> <p>01/02/2023 - Update received from Det/Supt PSD - Progress has been made with the policy and updating aspects of it. It is a lengthy document that is also impacted by the recent HMIC Recommendations, so we also checking that any changes also now accommodate for the recommendations.</p> <p>The work required to do this is significant and has been delayed due to unprecedented and competing demands but please be reassured that progress has been made. Once our elements have been changed, it will require further consultation.</p> <p>Given the above and allowing time for consultation this date has been revised to 31/08/2023.</p> <p><b>14/05/2023 - update received from Det/Supt PSD - Work has continued on the policy, reviewing the specific areas which require updates. This continues with completion target date in mind.</b></p>
005	267051	22/23 Central Area – Command Unit	2022	Directed Risk	The Flexible Working Policy and Procedure be reviewed and approved accordingly.	2	The Flexible Working Policy was reviewed and rewritten last year. It went out for Force wide consultation and feedback from LPS was that they were following a different process to that proposed. We have been waiting for this situation to be confirmed but now that the Corporate Senior HR Advisor is in post, she will be picking this up with them. She will be discussing this in the SMT on 21st November. We should have an answer after that and can then continue with getting the revised policy ratified.	Corporate Senior HR Advisor	14/11/2022	28/02/2023	31/07/2023	2	<p>31/01/2023 - Update received from Corporate HR Lead - The outstanding clarification from LPS has now been received. It was discussed and agreed in Assurance Board today that due to the length of time that has now elapsed since the formal consultation was originally carried out that it all needs to go out for consultation again. I have an action to send the documentation to the Governance and Policy Lead in the Governance &amp; Policy Unit, who will then send it out Forcewide for consultation again.</p> <p>Re-contacted for revised due date as the consultation process can be lengthy.</p> <p>03/02/2023 - Update received from Corporate HR Lead -Extend due date 31/07/2023</p> <p>12/05/2023 - Update received from Corporate HR Lead - The Flexible Working Policy has actually been out for Forcewide consultation, I have received feedback and am currently working my way through it.</p> <p><b>12/06/2023 - Update received from LPS Business Manager - The flexible Working Policy is being presented at the next Assurance Board on 29/06/2023</b></p>

No	ID	Job	Year	Risk Area	Recommendation	Priority	Management Comments	Responsible Officer	Date final report issued	Due Date	Revised Due Date	Category	Latest Response
006	267052	22/23 Central Area – Command Unit	2022	Directed Risk	A process be established evidencing the periodic review of flexible working arrangements, in conjunction with the review of the Flexible Policy and Procedure.	2	The Flexible Working Policy will also clarify the process to be followed for review. Currently this is not being done in a consistent manner across the Force but the revised policy should address this.	Corporate Senior HR Advisor	14/11/2022	28/02/2023	31/07/2023	2	<p>31/01/2023 - Update received from Corporate HR Lead - The outstanding clarification from LPS has now been received. It was discussed and agreed in Assurance Board today that due to the length of time that has now elapsed since the formal consultation was originally carried out that it all needs to go out for consultation again. I have an action to send the documentation to the Governance and Policy Lead in the Governance &amp; Policy Unit, who will then send it out Forcewide for consultation again.</p> <p>Re-contacted for revised due date as the consultation process can be lengthy.</p> <p>03/02/2023 - Update received from Corporate HR Lead -Extend due date to 31/07/2023</p> <p>12/05/2023 - Update received from Corporate HR Lead - The Flexible Working Policy has actually been out for Forcewide consultation, I have received feedback and am currently working my way through it.</p> <p><b>12/06/2023 - Update received from LPS Business Manager - The flexible Working Policy is being presented at the next Assurance Board on 29/06/2023</b></p>
007	269283	22/23 HR Absence Management	2022	Directed Risk	The Absence Management Policy be updated to include specific information and a clear process on managing long term sickness absence.	2	There is reference to the capability procedure for staff and UAP for Officers but there is little appetite to use these tools when managing long term cases. Include as part of the review of the Attendance Management Policy via a designated Task & Finish group. The implementation date has been reached by considering the time frame for the review of the policy and the consultation process prior to the policy being ratified.	Head of HR	08/03/2023	30/09/2023		1	20/06/2023 - Update received from Head of HR - The work on the policy is progressing and we have already shared an outline proposal with Fed/UNISON and will be going out to SMT's shortly. Once we have completed this we can then move this forward to formal consultation and thereafter implementation. I would emphasise that this is an extensive piece of work to be delivered and not a list of actions.
008	269284	22/23 HR Absence Management	2022	Directed Risk	Long term sickness cases be documented and reviewed on a regular basis in line with the Absence Management Policy requirement when it is updated.	2	There was evidence of contact but limited detail on the management of these cases. Include as part of the review of the Attendance Management Policy via a designated Task & Finish group. The implementation date has been reached by considering the time frame for the review of the policy and the consultation process prior to the policy being ratified.	Head of HR	08/03/2023	30/09/2023		1	20/06/2023 - Update received from Head of HR - The work on the policy is progressing and we have already shared an outline proposal with Fed/UNISON and will be going out to SMT's shortly. Once we have completed this we can then move this forward to formal consultation and thereafter implementation. I would emphasise that this is an extensive piece of work to be delivered and not a list of actions.
009	269285	22/23 HR Absence Management	2022	Directed Risk	The Absence Management Policy be updated to explicitly state what the force recognises as a trigger point for further intervention or closer monitoring.	2	Consultation will take place on what approach the Force wants to take in relation to triggers and this will be built into the new policy. The implementation date has been reached by considering the time frame for the review of the policy and the consultation process prior to the policy being ratified.	Head of HR	08/03/2023	30/09/2023		1	20/06/2023 - Update received from Head of HR - The work on the policy is progressing and we have already shared an outline proposal with Fed/UNISON and will be going out to SMT's shortly. Once we have completed this we can then move this forward to formal consultation and thereafter implementation. I would emphasise that this is an extensive piece of work to be delivered and not a list of actions.

No	ID	Job	Year	Risk Area	Recommendation	Priority	Management Comments	Responsible Officer	Date final report issued	Due Date	Revised Due Date	Category	Latest Response
010	269286	22/23 HR Absence Management	2022	Directed Risk	The management of cases of absence breaching the trigger point be improved and it be ensured that all cases are documented appropriately.	2	Once triggers have been agreed in policy, regular reports will be shared with SMT's to drive forward this approach. Supportive plans to be put in place to improve attendance and support with welfare. The implementation date has been reached by considering the time frame for the review of the policy and the consultation process prior to the policy being ratified.	Head of HR	08/03/2023	30/09/2023		1	20/06/2023 - Update received from Head of HR - The work on the policy is progressing and we have already shared an outline proposal with Fed/UNISON and will be going out to SMT's shortly. Once we have completed this we can then move this forward to formal consultation and thereafter implementation. I would emphasise that this is an extensive piece of work to be delivered and not a list of actions.
011	269287	22/23 HR Absence Management	2022	Directed Risk	The Absence Management Policy be updated to include the requirement for staff to complete a self-certification form following any period of sickness absence.	2	Consultation on whether the Force wishes to implement self-certification will be undertaken and as necessary this will be built into the policy. The implementation date has been reached by considering the time frame for the review of the policy and the consultation process prior to the policy being ratified.	Head of HR	08/03/2023	30/09/2023		1	20/06/2023 - Update received from Head of HR - The work on the policy is progressing and we have already shared an outline proposal with Fed/UNISON and will be going out to SMT's shortly. Once we have completed this we can then move this forward to formal consultation and thereafter implementation. I would emphasise that this is an extensive piece of work to be delivered and not a list of actions.
012	269290	22/23 HR Absence Management	2022	Delivery Risk	The force intranet be updated in line with the Absence Management Policy once the review has been completed.	2	Resources will be developed in tangent with the policy review. The implementation date has been reached by considering the time frame for the review of the policy and the consultation process prior to the policy being ratified.	Head of HR	08/03/2023	30/09/2023		1	20/06/2023 - Update received from Head of HR - The work on the policy is progressing and we have already shared an outline proposal with Fed/UNISON and will be going out to SMT's shortly. Once we have completed this we can then move this forward to formal consultation and thereafter implementation. I would emphasise that this is an extensive piece of work to be delivered and not a list of actions.
013	269291	22/23 HR Absence Management	2022	Delivery Risk	Mandatory training for Line Managers with responsibilities for managing sickness absence be delivered to ensure the correct and consistent procedures are followed for every case of sickness absence.	2	HR provide coaching on individual cases and briefings at local People Panels. This will be reviewed in line with first line management training from CoP to ensure that any gaps are bridged.	Head of HR	08/03/2023	30/04/2024		1	20/06/2023 - Update received from Head of HR - we have developed modules on Attendance Management for the first line leadership training (this was due to take place in June but has been cancelled, the next sessions are in October). Whilst that covers new first line managers, there is still a matter of wider training for line managers which I do not have ownership of. What we have discussed, is accompanying guidance, support, coaching and tools for managers which will be developed as part of the wider project and will align with the policy and procedure that is proposed and agreed. So, whilst we have begun to offer some training, this is more focussed currently on best practice and principles until we firm up the new policy and roll it out.
014	269292	22/23 HR Absence Management	2022	Directed Risk	Return to work interviews be included as standard within the Absence Management Policy for staff and officers returning to work from a period of sickness absence (the length of absence to be determined, although generally would apply to all absences).	3	Incorporated into review of policy as outlined above via T&F group. The implementation date has been reached by considering the time frame for the review of the policy and the consultation process prior to the policy being ratified.	Head of HR	08/03/2023	30/09/2023		1	20/06/2023 - Update received from Head of HR - The work on the policy is progressing and we have already shared an outline proposal with Fed/UNISON and will be going out to SMT's shortly. Once we have completed this we can then move this forward to formal consultation and thereafter implementation. I would emphasise that this is an extensive piece of work to be delivered and not a list of actions.
015	269645	22/23 Vetting	2022	Delivery Risk	The back fill of records completion exercise be undertaken as planned.	3	The COREVET system has been live since March 2021. A bid has been put in place to extend the contract of some of our temporary researchers to work towards completing this task.	Vetting Researchers	23/03/2023	31/12/2023		1	30/05/2023 - update received from Force Vetting Manager - We have the funding in place for three extra Researchers, two of these posts are filled and one is at application stage, they will be servicing the current demand due to the high levels, but as a researcher encounters a BRC in the course of their day, they will transfer the files over from the archives, to COREVET.
016	269697	REDACTED											

No	ID	Job	Year	Risk Area	Recommendation	Priority	Management Comments	Responsible Officer	Date final report issued	Due Date	Revised Due Date	Category	Latest Response
017	269698	REDACTED											
018	269699	REDACTED											
019	269700	REDACTED											
020	269701	REDACTED											
021	271372	22/23 Health and Safety Management	2022	Directed Risk	A message outlining the importance of health and safety reporting be cascaded from the Senior Leadership Team to the relevant officers / members of staff with the aim of improving the rate of line manager involvement in completing A879 and HS1 forms in a timely manner.	2	<p>Chief Constable incorporated RIDDOR reporting in her Vlog 24/02/2023 as a welfare and wellbeing issue. She highlighted our legal requirement to comply with the 15 days reporting to HSE if a colleague has suffered an injury, placing the onus on individuals as well as Managers and Leaders to comply with legislation. Injury to Officers on/off duty is part of the Eight Point Plan – Assault on Police Officers, Police Staff and Volunteers which is published on the Force Intranet.</p> <p>DFR to organise the inclusion of RIDDOR/Health and Safety to the agenda of the Senior Leadership Team meetings which occur every two weeks – this is a recognised Senior Force Governance forum. SLT members will be asked to gain reassurance that their areas/teams understand and comply with the submission of forms.</p> <p>FBO in liaison with TIAA to amend scope of Divisional Command Unit audits to Include H&amp;S A879, HS1 and DSE. Divisional Command Unit audits are carried out in Eastern, Western and Central divisions on a cyclical basis. The scope will be amended ahead of the Eastern Command Unit audit due to take place in 2023/2024.</p>	Director of Finance/Finance and Budget Officer	12/06/2023	30/06/2023		1	<p>20/06/2023 - update from Finance and Budget Officer (FBO)</p> <p>As per management comments the Chief Constable incorporated HSM/RIDDOR reporting in her Vlog on 24/02/2023.</p> <p>05/05/2023 - following discussions with TIAA the scope of Divisional Command Unit audits was amended to Include H&amp;S, A879, HS1, RIDDOR reporting and DSEs.</p> <p>11/05/2023 - FBO advised the Divisional LPS Superintendents that the scope for the divisional command unit audits was amended to include above.</p> <p>02/06/2023 - DFR Vlog - addressed HSM in so much as being mindful of our responsibilities to ensure that employees, contractors etc arrive and leave NWP sites safely. He also advised managers/supervisors that he will be looking for support through local SLTs.</p> <p>06/06/2023 - RIDDOR/HSM scheduled for discussion on the next SLT agenda on 13/06/2023.</p> <p>20/06/2023 - confirmation received from Business Manager that HSM/RIDDOR action was discussed at SLT on 13/06/2023 and it was agreed that there would be quarterly HSM/RIDDOR updates to SLT going forward.</p>

No	ID	Job	Year	Risk Area	Recommendation	Priority	Management Comments	Responsible Officer	Date final report issued	Due Date	Revised Due Date	Category	Latest Response
022	271373	22/23 Health and Safety Management	2022	Directed Risk	Health and safety training be provided to officers / members of staff as they are promoted to supervisory positions with an emphasis on their responsibility in reporting accidents to an appropriate deadline.	2	<p>Head of L&amp;D to agree on a process to ensure that managers and supervisors, who upon promotion, are given an appropriate health and safety input by a force trainer, outlining their responsibilities in terms of a) investigating injuries and near miss incidents, and b) recording their findings in line with the law and the Force's H&amp;S Policy. In addition, Line managers/supervisors, will be provided with key information in terms of RIDDOR reporting, e.g., what categories of injuries and near misses fall under RIDDOR, and, critically what the decision-making process is to ensure that RIDDOR reports are submitted to HSE within the 15-day statutory deadline by the Force's Health and Safety Manager without exception. Note: Need to Know relating to the above circulated to all NWP employees twice in 2022/23.</p> <p>HSM submits a report on a monthly basis to DFR who in turn reports relevant issues to the Senior Force Governance Forum to ensure that Command and SMT units take responsibility and held to account in terms of the correct reporting process relating to the reporting of Injuries, Near Misses and DSEs, and fundamentally, the recording of Line Managers investigations to ensure the safety and welfare of staff under their command.</p>	Head of L&D	12/06/2023	30/06/2023		1	23/06/2023 - Update received from Head of Training - The Trainer for Leadership and Assessment Sgt to incorporate these audit recommendations into the Operational Sergeants courses. He liaised with the Health and Safety Manager and agreed that the information on the need to know circulars would be converted into an input on the courses and the trainer would deliver the input, ensuring the audit points were covered.
023	271374	22/23 Health and Safety Management	2022	Directed Risk	All Officers / members of staff in supervisory positions be provided with health and safety training that outlines their responsibility in submitting A879, HS1 and DSE forms and the risks to the organisation caused by lack of compliance with HSE regulation.	2	<p>Newly promoted supervisors and managers, attending courses, will be provided with an appropriate DSE input and presentation by a force trainer in terms of their responsibilities to staff working from home and in an office environment (place of work). Note: Need to Know and presentation circulated to all NWP employees twice in 2022/23.</p> <p>HSM submits a report on a monthly basis to DFR who in turn reports relevant issues to the Senior Force Governance Forum to ensure that Command and SMT units take responsibility and held to account in terms of the correct reporting process relating to the reporting of Injuries, Near Misses and DSEs, and fundamentally, the recording of Line Managers investigations to ensure the safety and welfare of staff under their command</p>	Head of L&D	12/06/2023	30/06/2023		1	23/06/2023 - Update received from Head of Training - The Trainer for Leadership and Assessment Sgt to incorporate these audit recommendations into the Operational Sergeants courses. He liaised with the Health and Safety Manager and agreed that the information on the need to know circulars would be converted into an input on the courses and the trainer would deliver the input, ensuring the audit points were covered.

**Appendix 3 – 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

**JOINT AUDIT COMMITTEE**

<b>Title:</b>	Risk Management Report (Open Session)
<b>Author:</b>	Neil T. Ackers, Risk and Business Continuity Lead
<b>Purpose of the report:</b>	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.
<b>The report is provided to JAC for: (tick one)</b>	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Information
<b>Summary / Key Points:</b>	<ul style="list-style-type: none"> <li>• 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'.</li> <li>• 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).</li> <li>• 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.             <ul style="list-style-type: none"> <li>• Senior Management Team Meetings</li> <li>• Senior Leadership Team Meeting</li> <li>• Strategic Management Board</li> <li>• Strategic Executive Board</li> <li>• Strategic Operational Board</li> <li>• Strategic People Board</li> <li>• Strategic Change and Collaboration Board</li> <li>• Assurance Board</li> </ul> </li> <li>• A summary of live NWP and OPCC risks recorded on the Force Risk Register 7<sup>th</sup> March 2023 – 29<sup>th</sup> June 2023.</li> <li>• <b>New NWP risks recorded on Force Risk Register since last report.</b> <ul style="list-style-type: none"> <li>• Risk 110 REDACTED CLOSED SESSION</li> <li>• Risk 111 Lack of Force Medical Advisor Cover</li> <li>• Risk 112 REDACTED CLOSED SESSION</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• <b>New OPCC risks recorded on Force Risk Register since last report.</b> <ul style="list-style-type: none"> <li>• Risk 109 Adequacy of financial resources 2023/2024</li> <li>• Risk 113 PCC Election 2023</li> </ul> </li>   <li>• <b>NWP Risks removed from Force Risk Register since last report.</b> <ul style="list-style-type: none"> <li>• Risk 010 REDACTED CLOSED SESSION</li> <li>• Risk 046 REDACTED CLOSED SESSION</li> <li>• Risk 057 ESN</li> <li>• Risk 073 REDACTED CLOSED SESSION</li> <li>• Risk 078 Unsupported Windows 10 Operating System</li> <li>• Risk 082 ICT Supply Chain Issues</li> <li>• Risk 104 Welfare Unit Demand</li> </ul> </li>   <li>• <b>OPCC Risks removed from Force Risk Register since last report.</b> <ul style="list-style-type: none"> <li>• Risk 089 Adequacy of financial resources</li> </ul> </li>   <li>• <b>NWP Risk Changes on Force Risk Register since last report.</b> <ul style="list-style-type: none"> <li>• Risk 071 Pensions</li> <li>• Risk 081 Inability attracting staff to apply for key roles</li> <li>• Risk 096 Excess Demand within the Analysts Unit</li> <li>• Risk 097 Betsi Cadwaladr UHB Medical Requests</li> <li>• Risk 099 REDACTED CLOSED SESSION</li> <li>• Risk 103 Ability to Uplift Officers</li> <li>• Risk 108 REDACTED CLOSED SESSION</li> </ul> </li>   <li>• <b>OPCC Risk Changes on Force Risk Register since last report.</b> <ul style="list-style-type: none"> <li>• Risk 109 Adequacy of financial resources 2023/2024</li> </ul> </li>   <li>• <b>Force Risk Register which included OPCC Risks.</b> <ul style="list-style-type: none"> <li>• Risk Actions RAG Ratings - NWP</li> <li>• Risk Actions RAG Ratings - OPCC</li> </ul> </li>   <li>• <b>Force COVID19 Risk Register.</b></li>   <li>• <b>Developments regarding risk management.</b> <ul style="list-style-type: none"> <li>• Independent review by Gallagher Bassett</li> </ul> </li>   <li>• <b>A summary table of NWP risks recorded on the Force Risk Register as at 29/06/23.</b></li>   <li>• <b>A summary table of OPCC risks recorded on the Force Risk Register as at 29/06/23.</b></li> </ul>
<b>Recommendations:</b>	None

<b>Risk Register Impact:</b>	This report is based on details recorded on both the Force Risk Register and Covid19 Risk Register
<b>Assurance Implications:</b>	This report is directly relevant to the development of assurance in North Wales Police
<b>Equality Impact:</b>	None
<b>Information Exempt from Disclosure:</b>	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 29<sup>th</sup> June 2023 on the Force Risk Register version 6.180.

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 relevant 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 Senior Management Team's (SMT's) via their risk highlight reports. Risks are also reported to and reviewed at the Senior Leadership Team (SLT) Meeting, Senior Management Team (SMT) Meetings, Strategic Management Board (SMB), Strategic Executive Board (SEB), Strategic Operational Board (SOB), Strategic People Board (SPB), Strategic Change and Collaboration Board (SCCB), 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 6<sup>th</sup> March 2023 - 29<sup>th</sup> June 2023**

Risk Levels before Controls	Previous NWP Risk Total	Risks removed in this period	New Risks in this period	NWP Risks currently recorded on Force Risk Register
Critical	9	1	2	10
High	18	6	1	13
Medium	1	0	0	1
<b>Total</b>	<b>28</b>	<b>7</b>	<b>3</b>	<b>24</b>

**Table 2: - OPCC risks on the Force Risk Register 6<sup>th</sup> March 2023 - 29<sup>th</sup> June 2023**

Risk Levels Before Controls	Previous OPCC Risk Total	Risks removed in this period	New Risks in this period	OPCC Risks currently recorded on Force Risk Register
Critical	1	1	1	1
High	1	0	1	2
Medium	0	0	0	0
<b>Total</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>3</b>

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

There have been 3 new NWP risks added to the Force Risk Register since the last JAC risk report.

- **Risk 110 REDACTED CLOSED SESSION**

- **Risk 111 Lack of Force Medical Advisor Cover**

**There is a Risk** since the current Force Medical Advisor, who provided Doctor cover for two days to the organisation, has retired due to ill-health. The risk is **caused by** an inability of the current provider Optima (previously known as Healthworks), to provide backfill provision of contracted medical cover for face-to-face appointments in the Occupational Health Department, **which may result in** potential delays in staff with complex medical conditions returning to the workplace.

This Static risk was raised on 01/05/23 by Head of Medical Services and Wellbeing. The 'Before Controls Risk Level' was determined as CRITICAL and the 'Present Risk Level' is currently HIGH. The Target Level is MEDIUM with a Target Risk End Date of 01/09/23.

There are 4 x Actions on this risk, 2 x LIVE, 2 x Completed.

The Risk Lead is Head of Medical Services and Wellbeing.

- **Risk 112 REDACTED CLOSED SESSION**

### 4. NEW OPCC RISKS RECORDED ON FORCE RISK REGISTER SINCE LAST REPORT

There have been 2 new OPCC risks added to the Force Risk Register since the last JAC risk report.

- **Risk 109 Adequacy of financial resources 2023/2024 (OPCC Risk)**

**There is a Risk** that If financial resources are inadequate **caused by** inflation, pay demands, government funding, savings targets, police allocation formula, council tax capping, and the unknown impacts of working in new ways following Brexit **which may result in** not being able to deliver services as planned.

- This Static OPCC risk was raised on 24/04/23 by OPCC Chief Finance Officer and relates to the 2023/2024 financial year and follows on from Risk 89 Adequacy of financial resources 2022/2023. The 'Before Controls Risk Level' was determined as CRITICAL and the 'Present Risk Level' is currently MEDIUM. The Target Risk Level is MEDIUM with an End Date of 11/04/24.

There are 3 Actions on this risk, 2 x On Track and 1 x Completed.

The Risk Lead is OPCC Chief Finance Officer.

- **Risk 113 PCC Election 2023 (OPCC Risk)**

**There is a Risk that** If the current PCC uses OPCC resources to aid his election campaign **caused by** using public funds for an unlawful purpose **may result in** an unfair advantage to the current PCC compared to other candidates, and severe reputational damage to the PCC and OPCC.

This Static OPCC risk was raised on 10/05/23 by OPCC Chief Finance Officer. The 'Before Controls Risk Level' was determined as HIGH and the 'Present Risk Level' is currently MEDIUM. The Target Risk Level is LOW with an End Date of 31/05/24.

There are 7 Actions on this risk, 6 x On Track and 1 x Pending.

The Risk Lead is OPCC Chief Finance Officer.

## 5. NWP RISKS REMOVED FROM FORCE RISK REGISTER SINCE LAST REPORT

There have been 5 risks Closed and removed from the Force Risk Register since the last report.

- **Risk 010 REDACTED CLOSED SESSION**
- **Risk 046 REDACTED CLOSED SESSION**

- **Risk 057 ESN**

This risk was initially raised on 13/05/20 by Director of Finance.

The 'Before Controls Risk Level' was determined as HIGH. The 'Present Risk Level' was lowered from HIGH to MEDIUM on 27/04/22. The 'Target Level' was LOW.

This Static risk related to the force having to fund a handset replacement of the current airwave stock if ESN does not deliver a viable device before they become end of life.

The risk was reviewed at the Finance and Resources SMT on 24/05/23 and authorised for removal from the Force Risk Register due to:

- ESN has been delayed.
- All Actions completed.
- New risk to be created regarding Airwave sustainability.
- The risk has been temporarily Terminated until the Government decide how to progress ESN in the future.
- The risk has been Assurance Mapped (URN 014) refers.

The risk was closed and removed from the Force Risk Register on 31/05/23.

- **Risk 073 REDACTED CLOSED SESSION**
- **Risk 078 Unsupported Windows 10 Operating System**

This risk was initially raised on 08/04/21 by Director of Finance.

The 'Before Controls Risk Level' was determined as HIGH. The 'Present Risk Level' was lowered from HIGH to MEDIUM on 24/01/22. The 'Target Level' was MEDIUM.

This Dynamic risk related to a National Information Security Risk that unsupported windows 10 builds connecting to new cloud-based services, **caused by** the National migration to cloud based services and Microsoft end of life support announcements, **which may have resulted in** increased vulnerability of NWP to a cyber-attack.

The risk was reviewed at Finance and Resources SMT and authorised for removal from the Force Risk Register due to:

- Target Level of MEDIUM achieved.
- Risk has been TREATED.

The risk was closed and removed from the Force Risk Register on 20/04/23.

- **Risk 082 ICT Supply Chain Issues**

This risk was initially raised on 10/09/21 by Head of Infrastructure.

The 'Before Controls Risk Level' was determined as HIGH. The 'Present Risk Level' was lowered from HIGH to MEDIUM on 01/06/22. The 'Target Level' was MEDIUM.

This Static risk related to NWP being unable to obtain the ICT critical equipment due to supply chain challenges **caused by** increased pressures in the supply chain that impacted on pricing, availability and lead times **which may have resulted in** a negative impact on efficiency and effectiveness of the Force due to delays in obtaining this critical equipment and its ability to deliver against its objectives.

The risk was reviewed at Finance and Resources SMT on 24/05/23 and authorised for removal from the Force Risk Register due to:

- Target Level of MEDIUM achieved.
- Actions are well in hand and stock levels are being managed well.
- Risk will be TOLERATED.

The risk was closed and removed from the Force Risk Register on 01/06/23.

- **Risk 104 Welfare Unit Demand**

This risk was initially raised on 03/08/22 by the Corporate Wellbeing Lead.

The 'Before Controls Risk Level' was determined as HIGH. The 'Present Risk Level' was lowered from HIGH to LOW on 07/03/23. The 'Target Level' was LOW.

This Dynamic risk related to the increasing demand for welfare support may not have been met by the resources available within the Health and Wellness Team, **caused by** an increasing demand for support across the Force as Officers and staff become aware of what is available due to pressures on our workforce increasing, **which may have resulted in** delays for individuals being able to access support which might lead to sickness absence; illness of members of the Health and Wellness Team as they struggle to cope with demand and a reduction of the types of services that can be provided.

The risk was reviewed by the Corporate Services SMT on 15/03/23 and authorised for removal from the Force Risk Register due to:

- All Actions Completed.
- Risk has been Treated.
- Target Risk Level of LOW achieved.

The risk was closed and removed from the Force Risk Register on 30/03/23.

## 6. OPCC RISKS REMOVED FROM FORCE RISK REGISTER SINCE LAST REPORT.

There has been 1 OPCC risk Closed and removed from the Force Risk Register since the last report.

- **Risk 089 Adequacy of financial resources 2023/2024**

This risk was initially raised on 09/02/22 by OPCC Chief Finance Officer.

The 'Before Controls Risk Level' was determined as CRITICAL. The 'Present Risk Level' was lowered from HIGH to MEDIUM on 08/03/23. The 'Target Level' was MEDIUM.

This Static OPCC risk related to financial resources that may be inadequate **caused by** uncertainties such as savings targets; government funding; police allocation formula; council tax capping; inflation and the as-yet unknown impacts of working in new ways following BREXIT and the Covid-19 pandemic **which may have resulted in** not being able to deliver services as planned.

The risk was reviewed by the OPCC and authorised by OPCC Chief Finance Officer for removal from the Force Risk Register due to:

- All Actions relating to risk for financial year complete.
- Target Risk Level of MEDIUM achieved.
- New Risk 109 Adequacy of financial resources 2023/2024 opened and cross referenced to this risk.

The risk was closed and removed from the Force Risk Register on 26/04/23.

## 7. NWP RISK CHANGES ON FORCE RISK REGISTER SINCE LAST REPORT

There have been 7 Live NWP risks that have changed their Present Risk Levels since the last report.

- **Risk 071 Pensions**

**There is a Risk** costs relating to pensions may increase due to changes in legislation, regulations, and court decisions, **caused by** the high court decision that changes made to public sector pension schemes have been judged to be discriminatory, **which may result in** a remedy that will have an overall effect on the Forces financial situation.

Prior to control measures this was determined as a HIGH risk. This is a STATIC risk which initially had a Present Risk Level of HIGH. The Present Risk Level was lowered from HIGH to MEDIUM on 9<sup>th</sup> March 2023.

- **Risk 081 Inability attracting staff to apply for key roles.**

**There is a risk that** potential applicants, both external and internal are not being attracted to apply for specialist key roles advertised by North Wales Police **caused by** a perennial problem where the salaries advertised are less than market value compared to other employment sectors, the geographical location of our organisation, and a lack of local skills capability **which may result in** the Force being unable to fill key specialist roles to help deliver our Force Objectives.

Prior to control measures this was determined as a CRITICAL risk. This is a STATIC risk which initially had a Present Risk Level of HIGH. The Present Risk Level was lowered from HIGH to MEDIUM on 7<sup>th</sup> March 2023.

- **Risk 096 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. This is a STATIC risk which initially had a Present Risk Level of HIGH. The Present Risk Level was lowered from HIGH to MEDIUM on 5<sup>th</sup> May 2023.

- **Risk 097 Betsi Cadwaladr UHB Medical Requests**

**There be a risk** that Betsi Cadwaladr 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 a lesser charge on North Wales Police Cases.

Prior to control measures this was determined as a HIGH. This is a DYNAMIC risk which initially had a Present Risk Level of HIGH. The Present Risk Level was lowered from HIGH to MEDIUM on 26<sup>th</sup> June 2023.

- **Risk 099 REDACTED CLOSED SESSION**

- **Risk 103 Ability to Uplift Officers**

**There is a risk that** failure to recruit and integrate enough police officers through operation uplift **caused by** a number of NWP Officers resigning, retiring or transferring to other Forces and a lack of suitable applicants **may result in** failure to meet the home office targets which will impact on future budgets and ability of the force to deliver its priorities.

Prior to control measures this was determined as a HIGH. This is a DYNAMIC risk which initially had a Present Risk Level of HIGH. The Present Risk Level was lowered from HIGH to LOW on 30<sup>th</sup> March 2023. All Actions have been completed.

- **Risk 108 REDACTED CLOSED SESSION**

## 8. OPCC RISK CHANGES ON FORCE RISK REGISTER SINCE LAST REPORT.

There has been 1 Live OPCC risk that changed its Present Risk Level since the last report.

- **Risk 109 Adequacy of financial resources 2023/2024**

**There is a Risk** that If financial resources are inadequate **caused by** inflation, pay demands, government funding, savings targets, police allocation formula, council tax capping, and the unknown impacts of working in new ways following Brexit **which may result in** not being able to deliver services as planned.

\*\* NB. This risk relates to the 2023/2024 financial year and follows on from Risk 89 Adequacy of financial resources 2022/2023 \*\*

Prior to control measures this was determined as a CRITICAL. This is a STATIC risk which initially had a Present Risk Level of HIGH. The Present Risk Level was lowered from HIGH to MEDIUM on 14<sup>th</sup> June 2023.

## 9. FORCE RISK REGISTER ACTIONS

- **Risk Actions RAG Ratings - NWP**

Actions Not on Track	Actions On Track but with Issues	Actions On Track	Completed Actions
15	4	24	75

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.

Risks highlighted with '*Actions Not On Track*' relate to Actions that are overdue and awaiting updates from Risk Leads.

- **Risk Actions RAG Ratings - OPCC**

Actions Not on Track	Actions On Track but with Issues	Actions On Track	Completed Actions
0	1	10	2

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.

Risks highlighted with '*Actions Not On Track*' relate to Actions that are overdue and awaiting updates from Risk Leads.

## 10. FORCE COVID19 RISK REGISTER

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

## 11. DEVELOPMENTS REGARDING RISK MANAGEMENT

### Independent Review of Risk Management Processes

As reported previously, an approach was made to our Force Insurers to provide an independent review of NWP's Risk Management Processes. Phase one of this review was due to commence in June.

Unfortunately, the contract for our Force Insurers has not been renewed and the new Insurers only provide the Force £1200 per year towards consultancy.

Discussions have now taken place with the new Insurer who will consider a way forward to meet the needs of the Organisation. They have advised this is something they have not done before and will seek advice from our Insurance Broker.

JAC Members will be kept informed on progress.

## 12. SUMMARY OF NWP RISKS ON FORCE RISK REGISTER AS AT 29/06/2023

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	27/06/23	1	1	1		
54	REDACTED CLOSED SESSION	High	Medium	Low	Dynamic	29/04/20	12/06/23	1	1	1		
60	REDACTED CLOSED SESSION	High	Medium	Medium	Static	19/05/20	19/04/23	1	3	-		1
71	Pensions	High	Medium	Medium	Static	20/01/21	09/06/23	1	3	-		1
74	REDACTED CLOSED SESSION	Critical	Medium	Medium	Dynamic	04/06/21	21/06/23	1	14	1		
78	Unsupported Windows 10 Operating System	High	Medium	Medium	Dynamic	08/04/21	22/02/22	1	1	1		
81	Inability attracting Staff to apply for key roles in NWP	Critical	Medium	Medium	Dynamic	08/09/21	07/03/23	3	3	-		2
85	REDACTED CLOSED SESSION	Critical	Medium	Medium	Dynamic	29/11/21	29/06/23	1	0	1		
86	Disclosure Unit Backlogs	High	Medium	Medium	Static	09/11/21	21/06/23	1	2	1		
88	REDACTED CLOSED SESSION	High	High	Low	Dynamic	01/02/22	21/06/23	2	3	2		
91	Loss of money invested on the money market	Critical	Low	Low	Static	16/02/22	31/05/23	2	1			2
93	Inadequate financial resources to deliver service plans for period 01/04/2022 to 31/3/2023	Critical	Medium	Medium	Static	15/03/22	16/05/23	0	2			
94	REDACTED CLOSED SESSION	High	Medium	Negligible	Dynamic	22/02/22	12/06/23	2	6	2		
96	Excess Demand within the Analysts Unit	High	Medium	Medium	Static	12/04/22	05/05/23	2	10	2		
97	Betsi Cadwaladr UHB Medical Requests	High	Medium	Medium	Dynamic	14/04/22	26/06/23	0	3			
98	REDACTED CLOSED SESSION	Critical	Critical	Medium	Dynamic	19/05/22	10/04/23	2	5			2
99	REDACTED CLOSED SESSION	High	Low	Low	Dynamic	13/06/22	05/07/23	0	7			
101	REDACTED CLOSED SESSION	Medium	Low	Negligible	Static	07/06/22	24/05/23	2	0	1	1	
103	Ability to Uplift Officers	High	Low	Low	Dynamic	15/09/22	30/03/23	0	4			
105	REDACTED CLOSED SESSION	High	High	Medium	Static	03/01/23	05/04/23	4	1		3	1
106	REDACTED CLOSED SESSION	Critical	Critical	Medium	Static	03/01/23	21/03/23	3	0			3
108	REDACTED CLOSED SESSION	Critical	High	Negligible	Dynamic	20/12/22	29/06/23	6	3	3		3
110	REDACTED CLOSED SESSION	High	High	Medium	Static	09/05/23	09/05/23	2	0	2		
111	Lack of Force Medical Advisor Cover	Critical	High	Medium	Dynamic	01/05/23	10/06/23	2	2	2		
112	REDACTED CLOSED SESSION	Critical	High	Low	Dynamic	01/05/23	26/06/23	4	0	4		

13. SUMMARY OF OPCC RISKS ON FORCE RISK REGISTER AS AT 29/06/2023

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
91	Loss of money invested on the money market	Critical	Low	Low	Static	16/02/22	31/05/23	2	1	2		
109	Adequacy of financial resources 2023/2024	Critical	Medium	Medium	Static	26/04/23	26/04/23	2	1	2		
113	PCC Election 2024	High	Medium	Low	Static	10/05/23	10/05/23	7	0	6	1	

**Joint Audit Committee**

**Meeting Date: 27 July 2023**

<b>Title;</b>	Proposed Work Programme
<b>Author:</b>	Chief Finance Officer
<b>Purpose of the report:</b>	To agree the work programme
<b>The report is provided to JAC for: (tick one)</b>	<input type="checkbox"/> X Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Assurance <input type="checkbox"/> Information
<b>Summary / Key Points:</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• Feedback from the Joint Audit Committee, and have added the following items to be brought to future meetings:             <ul style="list-style-type: none"> <li>○ information management and compliance</li> <li>○ provision of internal audit service</li> </ul> </li> </ul>
<b>Recommendations:</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• For members of the Committee to consider additional content which might be presented at future meetings.</li> <li>• For the future work programme to be brought to each meeting, outlining the work for the forthcoming twelve months on a rolling basis.</li> </ul>
<b>Risk register impact:</b>	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.
<b>Assurance implications:</b>	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.
<b>Equality Impact:</b>	Equalities legislation was taken into account when recruiting the independent members of the Joint Audit Committee. There is a <a href="#">Joint Equalities’ Scheme</a> in place.
<b>Information exempt from disclosure:</b>	None.

## **JOINT AUDIT COMMITTEE**

**27 July 2023**

### **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. Since the last meeting, the following items have been incorporated into this work programme:

- Value for Money elements
- Sustainability
- Circulation of JAC training needs forms
- Circulation of Introduction to Accounts

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 to 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:

<b>Date of Meeting</b>	<b>Work Programme 2022/23</b>
All (Until Further Notice)	<ul style="list-style-type: none"> <li>• Business Update incl. VfM</li> <li>• HMICFRS Update (incorporated above unless significant)</li> <li>• Internal Audit Update</li> <li>• Risk Update</li> <li>• Organisational changes</li> <li>• ICT Digital Update</li> <li>• Work Programme</li> </ul>

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

<b>Date of Meeting</b>	<b>Work Programme 2023/24</b>
28 September 2023	<ul style="list-style-type: none"> <li>• Provisional – Final Risk Strategy &amp; Risk Appetite Statement (if not finalised for meeting 27 July)</li> <li>• Governance Update</li> <li>• HMICFRS Value for Money Profiles</li> <li>• Sustainability Update</li> <li>• Risk deep dive: Risk 54 <i>closed session</i></li> <li>• JAC Briefing: Agile working rollout</li> <li>• JAC Briefing: Collaboration</li> </ul>
24 October 2023	<ul style="list-style-type: none"> <li>• Draft accounts before audited accounts published (JAC briefing)</li> <li>• Summary of accounts</li> <li>• Circulate JAC Annual Training Plan</li> </ul>
7 December 2023	<ul style="list-style-type: none"> <li>• ISA 260 and signing of accounts</li> <li>• Audit Wales – Value for Money and Annual Audit Report (Management Letter)</li> <li>• Value for Money Update</li> <li>• Risk deep dive: Risk 60 <i>closed session</i></li> <li>• Briefing: SSF/SWAN/VAWG</li> <li>• Ethics update</li> <li>• Capital Programme - Update</li> <li>• Governance update</li> <li>• Treasury Management Performance</li> <li>• Legal report</li> <li>• HMICFRS Report – PEEL review</li> <li>• Applications Management Framework <i>closed session</i></li> </ul>
March 2024	<ul style="list-style-type: none"> <li>• Capital Strategy (including Treasury Management Strategy) <i>to be approved before 1 April 2024</i></li> <li>• Governance update – including draft AGS</li> <li>• Sustainability Update</li> <li>• Audit Wales – annual plan</li> </ul>
Spring 2024	<ul style="list-style-type: none"> <li>• All Wales Training event</li> </ul>
June 2024	<ul style="list-style-type: none"> <li>• Accounts Technical Briefing</li> </ul>

	<ul style="list-style-type: none"> <li>• Introduction to accounts</li> </ul>
July 2024	<ul style="list-style-type: none"> <li>• ISA260 and signing of accounts <i>to be signed by 31 July 2024</i></li> <li>• Force Management Statement</li> <li>• Self-assessment and Annual report of JAC – final report</li> <li>• Risk Strategy &amp; Risk Appetite Statement – Annual review</li> <li>• Treasury Management Performance</li> <li>• Legal report</li> </ul>
September 2024	<ul style="list-style-type: none"> <li>• Governance update</li> <li>• Sustainability Update</li> <li>• HMICFRS Value for Money Profiles</li> </ul>
December 2024	<ul style="list-style-type: none"> <li>• Audit Wales – Value for Money and Annual Audit Report (Management Letter)</li> <li>• Governance Update</li> <li>• Treasury Management Performance</li> <li>• Legal report</li> <li>• Value for Money Update</li> <li>• HMICFRS Report – PEEL Review</li> </ul>

Other items to be discussed with JAC	<p>JAC Evaluation Action Plan – Ensure that dedicated and closed sessions are scheduled as required to progress the JAC Evaluation plan actions as required. This includes reviewing the effectiveness of assurance providers considering the provision of internal audit services specifically.</p> <p>Roll-out of IT Programme (monthly, outside of meetings)</p> <p>Meeting between Joint Audit Committee and Audit Wales</p> <p>Meeting between Joint Audit Committee and Internal Audit</p> <p>Sustainability and decarbonisation</p>
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#### 4. IMPLICATIONS

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

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

# North Wales Police and Crime Commissioner and Chief Constable, North Wales Police – Detailed Audit Plan 2023

Audit year: 2022-23

Date issued: July 2023

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This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

# About Audit Wales

## Our aims and ambitions

### Assure



the people of Wales that public money is well managed

### Explain



how public money is being used to meet people's needs

### Inspire



and empower the Welsh public sector to improve



Fully exploit our unique perspective, expertise and depth of insight



Strengthen our position as an authoritative, trusted and independent voice



Increase our visibility, influence and relevance



Be a model organisation for the public sector in Wales and beyond

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# Introduction

I have now largely completed my planning work.

This Detailed Audit Plan specifies my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

It sets out the work my team intends undertaking to address the audit risks identified and other key areas of focus during 2023.

It also sets out my estimated audit fee, details of my audit team and key dates for delivering my audit team's activities and planned outputs.



**Adrian Crompton**

Auditor General for  
Wales

## My audit responsibilities

I complete work each year to meet the following duties:

- I audit the North Wales Police and Crime Commissioner's and the Chief Constable, North Wales Police's financial statements to make sure that public money is being properly accounted for.
- The North Wales Police and Crime Commissioner (the Commissioner) and Chief Constable, North Wales Police (the Chief Constable), have to put in place arrangements to get value for money for the resources it uses, and I have to be satisfied that they have done this.
- The Commissioner and the Chief Constable need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

## Audit of financial statements

I am required to issue a certificate and report on your financial statements which includes an opinion on their 'truth and fairness' and an assessment as to whether the Narrative Report and Annual Governance Statement is prepared in line with the CIPFA Code and relevant guidance and is consistent with your financial statements and my knowledge of the Commissioner and the Chief Constable..

In addition to my responsibilities for auditing the Commissioner and the Chief Constable's financial statements, I also have responsibility for:

- responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary); and
- auditing North Wales Police Pension Fund accounts

I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material is set out later in this plan.

I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#).

There have been no limitations imposed on me in planning the scope of this audit.

## Value for money

The Commissioner and the Chief Constable have to put in place arrangements to get value for money for the resources they use. I have to be satisfied that they have done this.

# Your audit at a glance



## My financial statements audit will concentrate on your risks and other areas of focus

My audit planning has identified the following risks:

Significant financial statement risk:

- Management override of controls.
- Valuation of land and buildings.
- Treatment of the pension fund liability.



## My performance audit will include:

- Consideration of arrangements to secure value for money.



## Materiality

Materiality

Police and Crime Commissioner	£2.752 million
Chief Constable	£2.752 million
Police Pension Fund	£1.016 million

Reporting threshold

£1.376 million



**Group**

We will also perform an audit of the Police and Crime Commissioner Group.

# Financial statements materiality



## Materiality £2.752 million

My aim is to identify and correct material misstatements, that is, those that might otherwise cause the user of the accounts to be misled. For the basis of the materiality, I have used the lower of the Police and Crime Commissioner Group gross expenditure and the Chief Constable gross expenditure.

Materiality is calculated using:

- 2022-23 draft Commissioner Group gross expenditure of £275.588 million.
- Materiality percentage of 1%.

A separate materiality is applied to the Police pension Fund.

Materiality is calculated using:

- 2022-23 draft Police Pension Fund gross expenditure of £50.819 million.
- Materiality percentage of 2% (to reflect the smaller body).

I report to those charged with governance any misstatements above a trivial level (set at 5% of materiality).



## Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts and we have set a lower materiality level for these:

- Senior Officer remuneration £1,000.
- Related party disclosures, individuals £20,000.

# Significant financial statements risks

Significant risks are identified risks of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk or those which are to be treated as a significant risk in accordance with the requirements of other ISAs. The ISAs require us to focus more attention on these significant risks.

## Exhibit 1: significant financial statement risks

Significant risk	Our planned response
<p><b>Management override</b></p> <p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> <li>• assess the design and implementation of controls over journal entry processing;</li> <li>• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li> <li>• review accounting estimates for bias; and</li> <li>• evaluate the rationale for any significant transactions outside the normal course of business.</li> </ul>
<p><b>Valuation of Land and Buildings</b></p> <p>The value of land and buildings reflected in the balance sheet and notes to the accounts represent material estimates. Land and buildings are required to be held on a valuation basis which is dependent on the nature and use of the assets.</p> <p>This estimate is subject to a high degree of subjectivity depending on the specialist and management assumptions adopted and changes in these can result in material changes to valuations.</p> <p>The external valuer has applied a different estimation method to the valuation of certain assets for 2022-23 which has led to an increase in the valuation of assets of £30 million.</p> <p>This is a significant increase which could lead to a material misstatement of the balance sheet if not appropriate.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> <li>• review the information provided to the valuer to assess for completeness;</li> <li>• evaluate the competence, capabilities and objectivity of the professional valuer;</li> <li>• consider the basis of the estimation method applied to ensure in line with the standards set out by the Royal Institution of Chartered Surveyors; and</li> <li>• test a sample of assets revalued in the year to ensure the valuation basis, key data and assumptions used in the valuation process are reasonable, and the revaluations have been correctly reflected in the financial statements.</li> </ul>

# Significant financial statements risks

## **Treatment of pension scheme surplus**

The Commissioner and Chief Constable participate in two pension funds, the Local Government Pension scheme (LGPS) for police staff and the office of the Commissioner, and the Police Pension scheme for police officers.

Following the triennial funding valuation undertaken of LGPS pensions funds as at 31 March 2022, the IAS 19 results schedule from the Actuary shows a surplus. The £57million surplus is reflected in the draft accounts.

The recognition of pension fund surpluses is complex, requiring consideration of the future economic benefits available in the form of refunds from the plan, or reductions in future contributions to the plan, as well as any scheme rules requiring employers to make minimum funding payments to the scheme.

The audit team will:

- understand the actuary's process for calculating the surplus recognisable at 31 March 2023; and
- consider whether the surplus is recognisable under IFRIC 14.

# Financial statements audit timetable

I set out below key dates for delivery of my accounts audit work and planned outputs.

## Exhibit 2: key dates for delivery of planned outputs

Planned output	Work undertaken	Report finalised
2023 Detailed Audit Plan	June - July 2023	July 2023
Audit of financial statements work: <ul style="list-style-type: none"><li>• Audit of Financial Statements Report</li><li>• Opinion on the Financial Statements</li></ul>	August – October 2023	November – December 2023

# Statutory audit functions

## Statutory audit functions

In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:

- Section 30 Inspection of documents and questions at audit; and
- Section 31 Right to make objections at audit.

As this work is reactive, I have made no allowance in the fee table below. If I do receive questions or objections, I will discuss potential audit fees at the time.

# Fee and audit team

In January 2023 I published the [fee scheme](#) for the 2023-24 year as approved by the Senedd Finance Committee. My fee rates for 2023-24 have increased by 4.8% for inflationary pressures. In addition, my financial audit fee has a further increase of 10.2% for the impact of the revised auditing standard ISA 315 on my financial audit approach. More details of the revised auditing standard and what it means for the audit I undertake is set out in **Appendix 1**.

I estimate your total audit fee will be £100,023.

## Exhibit 3: audit fee

This table sets out the proposed audit fee for 2023, by area of audit work, alongside the actual audit fee for last year.

Audit area	Proposed fee (£) <sup>1</sup>	Actual fee last year (£)
Audit of accounts <sup>2</sup>	94,413	82,055
Use of resources <sup>3</sup>	5,610	4,878
Total fee	100,023	86,933

Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Commissioner and the Chief Constable.

### Our financial audit fee is based on the following assumptions:

- The agreed audit deliverables sets out the expected working paper requirements to support the financial statements and includes timescales and responsibilities.
- No matters of significance, other than as summarised in this plan, are identified during the audit.

<sup>1</sup> Notes: The fees shown in this document are exclusive of VAT, which is not charged to you.

<sup>2</sup> Payable November 2022 to October 2023.

<sup>3</sup> Payable November 2022 to October 2023.

# Fee and audit team

The main members of my team, together with their contact details, are summarised in **Exhibit 4**.

## Exhibit 4: my local audit team

Name	Role	Contact number	E-mail address
Matthew Edwards	Engagement Director	02920 320663	<a href="mailto:Matthew.edwards@audit.wales">Matthew.edwards@audit.wales</a>
Michelle Phoenix	Audit Manager	02920 320660	<a href="mailto:Michelle.phoenix@audit.wales">Michelle.phoenix@audit.wales</a>
Sabel Wiliam	Audit Lead	02920 829358	<a href="mailto:Sabel.wiliam@audit.wales">Sabel.wiliam@audit.wales</a>

I can confirm that my team members are all independent of the Commissioner, the Chief Constable and your officers.

# Audit Quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD\* and our Chair, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2022](#).

# Appendix 1

## The key changes to ISA315 and the potential impact on your organisation

Key change	Potential impact on your organisation
<b>More detailed and extensive risk identification and assessment procedures</b>	<p>Your finance team and others in your organisation may receive a greater number of enquiries from our audit teams at the planning stage of the audit. Requests for information may include:</p> <ul style="list-style-type: none"><li>• information on your organisation’s business model and how it integrates the use of information technology (IT);</li><li>• information about your organisation’s risk assessment process and how your organisation monitors the system of internal control;</li><li>• more detailed information on how transactions are initiated, recorded, processed, and reported. This may include access to supporting documentation such as policy and procedure manuals; and</li><li>• more detailed discussions with your organisation to support the audit team’s assessment of inherent risk.</li></ul>
<b>Obtaining an enhanced understanding of your organisation’s environment, particularly in relation to IT</b>	<p>Your organisation may receive more enquiries to assist the audit team in understanding the IT environment. This may include information on:</p> <ul style="list-style-type: none"><li>• IT applications relevant to financial reporting;</li><li>• the supporting IT infrastructure (e.g. the network, databases);</li><li>• IT processes (e.g. managing program changes, IT operations); and</li><li>• the IT personnel involved in the IT processes.</li></ul> <p>Audit teams may need to test the general IT controls and this may require obtaining more detailed audit evidence on the operation of IT controls within your organisation.</p> <p>On some audits, our audit teams may involve IT audit specialists to assist with their work. Our IT auditors may need to engage with members of your IT team who have not previously been involved in the audit process.</p>

Key change	Potential impact on your organisation
<p><b>Enhanced requirements relating to exercising professional scepticism</b></p>	<p>Our audit teams may make additional inquiries if they identify information which appears to contradict what they have already learned in the audit.</p>
<p><b>Risk assessments are scalable depending on the nature and complexity of the audited body</b></p>	<p>The audit team's expectations regarding the formality of your organisation's policies, procedures, processes, and systems will depend on the complexity of your organisation.</p>
<p><b>Audit teams may make greater use of technology in the performance of their audit</b></p>	<p>Our audit teams may make use of automated tools and techniques such as data analytics when performing their audit. Our teams may request different information or information in a different format from previous audits so that they can perform their audit procedures.</p>

Through our Good Practice work we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire. Our newsletter provides you with regular updates on our public service audit work, good practice and events, which can be tailored to your preferences. For more information about our Good Practice work click [here](#). Sign up to our newsletter [here](#).



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We welcome correspondence and telephone calls in Welsh and English. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

**Joint Audit Committee**

**Meeting Date: 27th July 2023**

<b>Title:</b>	<b>Treasury Management Outturn Report 2022-23</b>
<b>Author:</b>	<b>Chief Finance Officer</b>
<b>Purpose of the report:</b>	<b>To report on the performance of the treasury management function</b>
<b>The report is provided to JAC for: (tick one)</b>	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> <b>Assurance</b> <input type="checkbox"/> Information
<b>Summary / Key Points:</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• It contains a summary of TM activity undertaken during 2022-23.</li> <li>• It deals with the investment of surplus cash and any borrowing requirements.</li> <li>• It highlights whether or not any limits or indicators were breached. During 2022-23 no statutory indicators were breached.</li> </ul>
<b>Recommendations:</b>	The report is submitted to the Joint Audit Committee for information and comment, and to provide further assurance to the Police and Crime Commissioner.
<b>Risk register impact:</b>	No impact – the arrangements are designed to manage the risk from investing and borrowing.
<b>Assurance implications:</b>	The report sets out the performance against agreed rules and limits for investing and borrowing money per the TM Strategy in place for 2022-23.
<b>Equality Impact:</b>	No impact.
<b>Information exempt from disclosure:</b>	No exempt information.

# Treasury Management Outturn Report 2022/23

## 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 2022/23 was scrutinised at the Joint Audit Committee on 28<sup>th</sup> March 2022, and approved by a Decision Notice dated 1<sup>st</sup> April 2022. 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.

The 2021 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments.

## 2. External Context

**Economic background:** The war in Ukraine continued to keep global inflation above central bank targets and the UK economic outlook remained relatively weak with the chance of a mild recession. The economic backdrop during the January to March period continued to be characterised by high energy and commodity prices, high inflation, and the associated impact on household budgets and spending.

Central Bank rhetoric and actions remained consistent with combatting inflation. The Bank of England, US Federal Reserve, and European Central Bank all increased interest rates over the period, even in the face of potential economic slowdowns in those regions.

Starting the financial year at 5.5%, the annual CPI measure of UK inflation rose strongly to hit 10.1% in July and then 11.1% in October. Inflation remained high in subsequent months but appeared to be past the peak, before unexpectedly rising again in February. Annual headline CPI registered 10.4% in February, up from 10.1% in January, with the largest upward contributions coming from food and housing. RPI followed a similar pattern during the year, hitting 14.2% in October. In February RPI measured 13.8%, up from 13.4% in the previous month.

Following the decision by the UK government under Rishi Sunak and Jeremy Hunt to reverse some of the support to household energy bills announced under Liz Truss, further support in the form of a cap on what energy suppliers could charge household was announced in the March Budget to run from April until end June 2023. Before the announcement, typical household bills had been due to rise to £3,000 a year from April.

The labour market remained tight albeit with some ongoing evidence of potential loosening at the end of the period. The unemployment rate 3mth/year eased from 3.8% April-June to 3.6% in the following quarter, before picking up again to 3.7% between October-December. The most recent information for the period December-February showed an unemployment rate of 3.7%.

The inactivity rate was 21.3% in the December-February quarter, slightly down from the 21.4% in the first quarter of the financial year. Nominal earnings were robust throughout the year, with earnings growth in December-February at 5.7% for both total pay (including bonuses) and 6.5% for regular pay. Once adjusted for inflation, however, both measures were negative for that period and have been so throughout most of the year.

Despite household budgets remaining under pressure, consumer confidence rose to -36 in March, following readings of -38 and -45 in the previous two months, and much improved compared to the record-low of -49 in September. Quarterly GDP was soft through the year, registering a 0.1% gain in the April-June period, before contracting by (an upwardly revised) -0.1% in the subsequent quarter. For the October-December period was revised upwards to 0.1% (from 0.0%), illustrating a resilient but weak economic picture. The annual growth rate in Q4 was 0.6%.

The Bank of England increased the official Bank Rate to 4.25% during the financial year. From 0.75% in March 2022, the Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting over the period, with recent hikes of 50bps in December and February and then 25bps in March, taking Bank Rate to 4.25%. March's rise was voted by a majority of 7-2, with two MPC members preferring to maintain Bank Rate at 4.0%. The Committee noted that inflationary pressures remain elevated with growth stronger than was expected in the February Monetary Policy Report. The February vote was also 7-2 in favour of a hike, and again with two members preferring to keep Bank Rate on hold.

After reaching 9.1% in June, annual US inflation slowed for eight consecutive months to 6% in February. The Federal Reserve continued raising interest rates over the period with consecutive increases at each Federal Open Market Committee meetings, taking policy rates to a range of 4.75%- 5.00% at the March meeting.

From the record-high of 10.6% in October, Eurozone CPI inflation fell steadily to 6.9% in March 2023. Energy prices fell, but upward pressure came from food, alcohol, and tobacco. The European Central Bank continued increasing interest rates over the period, pushing rates up by 0.50% in March, taking the deposit facility rate to 3.0% and the main refinancing rate to 3.5%.

**Financial markets:** Uncertainty continued to be a key driver of financial market sentiment and bond yields remained relatively volatile due to concerns over elevated inflation and higher interest rates, as well as the likelihood of the UK entering a recession and for how long the Bank of England would continue to tighten monetary policy. Towards the end of the period, fears around the health of the banking system following the collapse of Silicon Valley Bank in the US and purchase of Credit Suisse by UBS caused further volatility.

Over the period the 5-year UK benchmark gilt yield rose from 1.41% to peak at 4.70% in September before ending the financial year at 3.36%. Over the same timeframe the 10-year gilt yield rose from 1.61% to peak at 4.51% before falling back to 3.49%, while the 20-year yield rose from 1.82% to 4.96% and then declined to 3.82%. The Sterling Overnight Rate (SONIA) averaged 2.24% over the period.

**Credit review:** Early in the period, Moody's affirmed the long-term rating of Guildford BC but revised the outlook to negative. The agency also downgraded Warrington BC and Transport for London.

In July Fitch revised the outlook on Standard Chartered and Bank of Nova Scotia from negative to stable and in the same month Moody's revised the outlook on Bayerische Landesbank to positive. In September S&P revised the outlook on the Greater London Police and Crime Commissioner to stable from negative and Fitch revised the outlook on HSBC to stable from negative.

The following month Fitch revised the outlook on the UK sovereign to negative from stable. Moody's made the same revision to the UK sovereign, following swiftly after with a similar move for a number of local authorities and UK banks including Barclays Bank, National Westminster Bank (and related entities) and Santander.

During the last few months of the reporting period there were only a handful of credit changes by the rating agencies, then in March the collapse of Silicon Valley Bank (SVB) in the US quickly spilled over into worries of a wider banking crisis as Credit Suisse encountered further problems and was bought by UBS.

Credit Default Prices had been rising since the start of the period on the back of the invasion of Ukraine, and in the UK rose further in September/October at the time of the then-government’s mini budget. After this, CDS prices had been falling, but the fallout from SVB caused a spike on the back of the heightened uncertainty. However, they had moderated somewhat by the end of the period as fears of contagion subsided, but many are still above their pre-March levels reflecting that some uncertainty remains.

On the back of this, Arlingclose reduced its recommended maximum duration limit for unsecured deposits for all UK and Non-UK banks/institutions on its counterparty list to 35 days as a precautionary measure. No changes were made to the names on the list.

As market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Police and Crime Commissioner’s counterparty list recommended by Arlingclose remains under constant review.

Local authorities remain under financial pressure, but Arlingclose continues to take a positive view of the sector, considering its credit strength to be high. Section 114 notices have been issued by only a handful of authorities with specific issues. While Arlingclose’s advice for local authorities on its counterparty list remains unchanged, a degree of caution is merited with certain authorities.

### 3. Local Context

On 31<sup>st</sup> March 2023, the Police and Crime Commissioner had net investments of £30.m 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

	<b>31.3.23 Actual £m</b>	<b>2022-23 Benchmark £m</b>
General Fund CFR	28.0	30.9
Less: *Other debt liabilities	(7.3)	(7.3)
<b>Borrowing CFR</b>	<b>20.7</b>	<b>23.6</b>
Less: External borrowing	(8.4)	# (6.2)
<b>Internal borrowing</b>	<b>12.3</b>	<b>17.4</b>
Less: Usable reserves	(51.2)	(27.6)
Plus: Working capital	8.9	0.2
<b>Total investments</b>	<b>(30.0)</b>	<b># (10.0)</b>

\* finance leases, PFI liabilities and transferred debt that form part of the Police and Crime Commissioner’s total debt

Source: Capital Strategy Report 2022-23 (various tables)

# to maintain minimum investment benchmark of £10m

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 31<sup>st</sup> March 2023 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.22 Balance £m	Movement £m	31.3.23 Balance £m	31.3.23 Weighted Average Rate %	2022-23 Benchmark £m
Long-term borrowing	8.9	(0.5)	8.4	1.25	-
Short-term borrowing	-	-	-	-	-
<b>Total borrowing</b>	<b>8.9</b>	<b>(0.5)</b>	<b>8.4</b>	-	<b># 6.2</b>
Long-term investments	-	-	-	-	-
Short-term investments	(19.8)	(4.8)	(24.6)	3.24	-
Cash and cash equivalents	(10.3)	4.9	(5.4)	0.37	-
<b>Total investments</b>	<b>(30.1)</b>	<b>0.1</b>	<b>(30.0)</b>	-	<b># (10.0)</b>
<b>Net borrowing / (investments)</b>	<b>(21.2)</b>	<b>(0.4)</b>	<b>(21.6)</b>	-	<b>(3.8)</b>

# to maintain minimum investment benchmark of £10m

#### **Borrowing Update**

CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Police and Crime Commissioner. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

The Police and Crime Commissioner has no plans to borrow to invest primarily for commercial return and so is unaffected by the changes to the Prudential Code.

#### **4. Borrowing Strategy and Activity**

As outlined in the treasury strategy, the Police and Crime Commissioner's chief objective when borrowing has been to strike an appropriately low risk balance between securing lower 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 strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio and, where practicable, to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The cost of both long and short-term borrowing rose dramatically over the year, with rates at the end of March around 2% - 4% higher than those at the beginning of April. Rate rises have been driven primarily by inflation and the need for central banks to control this by raising interest rates. Particularly dramatic rises were seen in September after Liz Truss' 'mini-budget' included unfunded tax cuts and additional borrowing to fund consumer energy price subsidies: over a twenty-four-hour period some PWLB rates increased to 6%. Rates have now fallen from September peaks but remain volatile and well above recent historical norms. The PWLB 10 year maturity certainty rate stood at 4.33% at 31<sup>st</sup> March 2023, 20 years at 4.70% and 30 years at 4.66%.

At 31<sup>st</sup> March 2023 the Police and Crime Commissioner held £8.4m of loans, (a decrease of £0.5m) 31<sup>st</sup> March 2022, as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 31<sup>st</sup> March are summarised in Table 3 below.

Table 3A: Borrowing Position

	<b>31.3.22 Balance £m</b>	<b>Net Movement £m</b>	<b>31.3.23 Balance £m</b>	<b>31.3.23 Weighted Average Rate %</b>
Public Works Loan Board	8.9	(0.5)	8.4	1.25
Local authorities (short-term)	-	-	-	-
<b>Total borrowing</b>	<b>8.9</b>	<b>(0.5)</b>	<b>8.4</b>	<b>-</b>

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.

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	<b>Amount £m</b>	<b>Rate %</b>	<b>Period (Years)</b>
PWLB EIP Loan 1 (20/08/2019)	5.0	1.25	20
PWLB EIP Loan 2 (07/10/2019)	5.0	1.25	20
<b>Total borrowing</b>	<b>10.0</b>	<b>1.25</b>	<b>20</b>

## 5. Other Debt Activity

After £0.9m repayment of prior years' Private Finance Initiative liabilities, total debt other than borrowing stood at £7.3m on 31<sup>st</sup> March 2023, taking total debt to £15.7m.

## 6. Treasury Investment Activity

CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20<sup>th</sup> 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 £24.8 and £56.4 million due to timing differences between income and expenditure, with

the average daily balance for the year being £39.3m. 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.

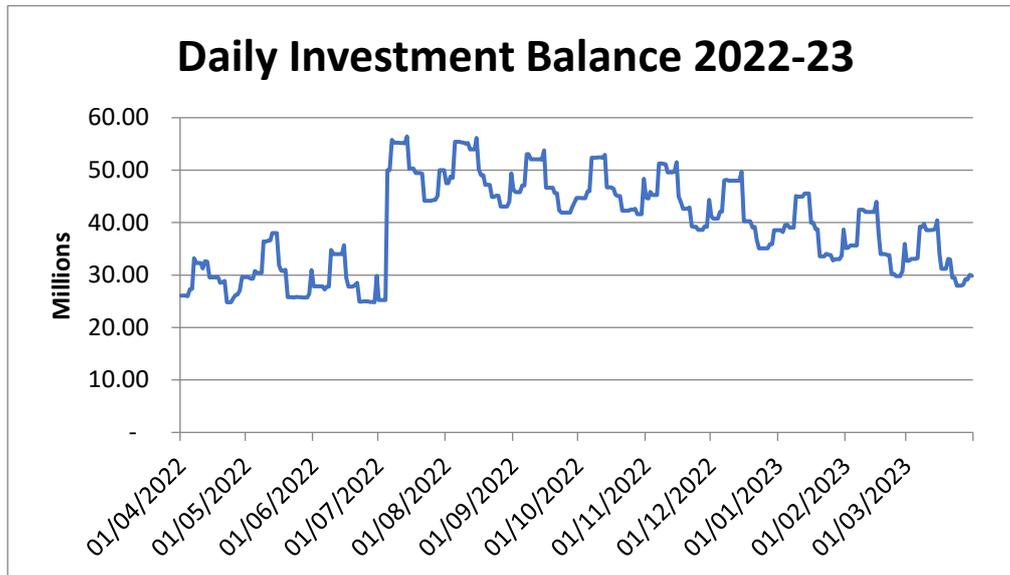


Table 4: Treasury Investment Position

	31.3.22 Balance £m	Net Movement £m	31.3.23 Balance £m	31.3.23 Income Return %	31.3.23 Weighted Average Maturity days
Banks & building societies (unsecured) – including 31-day notice account with HSBC	10.3	(4.9)	5.4	0.37%	0.18
Government (incl. local authorities)	19.8	4.8	24.6	3.24%	58.56
<b>Total investments</b>	<b>30.1</b>	<b>(0.1)</b>	<b>30.0</b>	<b>3.61%</b>	<b>58.74</b>

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.

Bank Rate has increased from 0.75% at the beginning of the year to 4.25% at the end of March 2023. Short-dated cash rates, which had ranged between 0.7% - 1.5% at the beginning of April, rose by around 3.5% for overnight/7-day maturities and 3.3% for 6-12 month maturities. By end March 2023, the rates on DMADF deposits ranged between 4.05% and 4.15%. The weighted average return on the Police and Crime Commissioner’s DMADF deposits at the end of the 2022-23 financial year was 3.24% (0.30% 2021-22).

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

	<b>Credit Score</b>	<b>Credit Rating</b>	<b>Bail-in Exposure</b>	<b>Weighted Average Maturity (days)</b>	<b>Rate of Return %</b>
31.03.2022	3.45	AA	34%	15	0.35%
31.03.2023	3.91	AA-	18%	59	3.64%
<b>Similar LAs</b>	<b>4.66</b>	<b>A+</b>	<b>84%</b>	<b>17</b>	<b>3.72%</b>
<b>All LAs</b>	<b>4.71</b>	<b>A+</b>	<b>59%</b>	<b>12</b>	<b>3.66%</b>

The Police and Crime Commissioner had budgeted £100,000 income from these investments in 2022/23. Income received was £618,936, whilst a further £85,447 has been declared and is due to be paid by April/May. As investment income far exceeded the budget, the Police and Crime Commissioner has transferred the additional income into earmarked reserves, as outlined in the Medium-Term Financial Plan. The budget for 2023/24 for investment income has been increased to £1million and will be reviewed as part of the budget planning process for 2024/25.

## **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 2022-23.

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

Table 7: Debt Limits

	<b>2022/23 Maximum £m</b>	<b>31.3.23 Actual £m</b>	<b>2022/23 Operational Boundary £m</b>	<b>2022/23 Authorised Limit £m</b>	<b>Complied? Yes/No</b>
Borrowing	8.88	8.38	22.61	24.61	Yes
PFI and Finance Leases	8.26	7.28	7.28	7.28	Yes
<b>Total debt</b>	<b>17.14</b>	<b>15.66</b>	<b>29.89</b>	<b>31.89</b>	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**

	<b>2022/23 Maximum</b>	<b>31.3.23 Actual</b>	<b>2022/23 Limit</b>	<b>Complied? Yes/No</b>
Any single organisation, except the UK Government	£4.0m	£3.0m	£7.0m	Yes
HSBC (being the Commissioner's bankers)	£9.6m	£2.4m	£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.

	<b>31.3.23 Actual</b>	<b>2022/23 Minimum criteria</b>	<b>Complied?</b>
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.

	<b>2022/23 Minimum</b>	<b>31.3.23 Actual</b>	<b>2022/23 Target</b>	<b>Complied?</b>
Minimum cash available within twelve months	£24.8m	£30.0m	£10m	Yes
Lower limit for a maximum of 14 days	-	-	£7.5m	Yes

**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:

	<b>31.3.23 Actual</b>	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Complied?</b>
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.

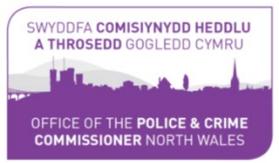
**Principal Sums Invested for Periods Longer than a year:** The purpose of this indicator is to control the Police and Crime Commissioner’s exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond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

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Actual principal invested beyond year end	£0m	£0m	£0m
Limit on principal invested beyond year end	£5m	£5m	£5m
Complied?	Yes	Yes	Yes

**Joint Audit Committee**

**Meeting Date: 27 July 2023**

<b>Title:</b>	Joint Governance Board
<b>Author:</b>	Kate Jackson, Chief Finance Officer, Office of the Police and Crime Commissioner
<b>Purpose of the report:</b>	Update
<b>The report is provided to JAC for: (tick one)</b>	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Assurance <input checked="" type="checkbox"/> X Information
<b>Summary / Key Points:</b>	<ul style="list-style-type: none"> <li>• The chair of JAC was in attendance at the meeting held on 28 June 2023.</li> <li>• The board endorsed the following:             <ul style="list-style-type: none"> <li>○ The approach used to prepare the Annual Governance Statements</li> <li>○ The noting of the JAC Action Plan update for 22-23.</li> <li>○ The proposal for the Force to have a monitoring officer</li> <li>○ That ongoing governance review aims to align the governance structure with priorities</li> </ul> </li> </ul>
<b>Recommendations:</b>	<ul style="list-style-type: none"> <li>• For members of the Joint Audit Committee to note the work of the Joint Governance Board.</li> <li>• 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.</li> </ul>
<b>Risk register impact:</b>	The way risk is managed is integral to good governance and is considered within the Governance Framework
<b>Assurance implications:</b>	<p>The Joint Governance Board is to oversee changes to assurance arrangements following the Governance Review undertaken in 2019/20. These arrangements will change as a result of the forthcoming review.</p> <p>The Joint Governance Board is to oversee any future changes to the Manual of Governance.</p>
<b>Equality Impact:</b>	None
<b>Information exempt from disclosure:</b>	None



## JOINT AUDIT COMMITTEE

27 July 2023

Joint Governance Board

Report by the Chief Finance Officer



### 1. Background

- 1.1. The Joint Governance Board meets four times each year. A work programme has been prepared to ensure it meets its objectives to record governance arrangements, and to oversee and advise on changes to those arrangements.
- 1.2. Members of the Joint Audit Committee have a standing invitation to attend the meeting; the chair of the committee attended on 28 June 2023 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. Meetings are held online via Microsoft Teams and future meeting dates are:
  - Wednesday 6<sup>th</sup> September 2023 at 10am
  - Wednesday 15<sup>th</sup> November 2023 at 10am

### 3. Work of the Joint Governance Board

- 3.1. At the meeting held on 28 June 2023, the following were discussed:

#### 3.1.1. Annual Governance Statements

The Director of Finance and Resources undertook to revise the structure and content of the Annual Governance Statements. While previous versions had complied with the CIPFA guidance, it was recognised that there was scope to reduce repetition, and to evaluate the effectiveness of the arrangements in place.

The Director of Finance and Resources had reviewed documents from forces graded as outstanding in the HMICFRS PEEL Assessment for question 12 (relating to strategic planning, organisational management and value for money) and used this information to prepare a more meaningful draft AGS, which:

- Evaluates the governance against the principles in the CIPFA guidance

- Is written in a way which is open, and easily digestible
- Includes significant governance issues identified, and an action plan to address them

Members of the Joint Governance Board endorsed the approach taken to prepare the draft Annual Governance Statements. It was noted that any changes which take place up until the documents are signed (scheduled for 7 December 2023) will be reflected in the final version.

### 3.1.2 Statement of Accounts

The Head of Finance updated the Board on the revised timetable to publish the draft Statements of Accounts, for the audit, and to sign off the audited accounts. The new timetable complies with the extended deadlines advised by Welsh Government, and a notice has been placed on the OPCC website.

While the extended deadline does mean that the audit period will overlap with the 2024/25 budget-setting process, delaying the publication of the draft accounts has allowed more time for fine-tuning, with the aim of reducing the internal resource required for the audit. It was noted that this year an information sharing tool is to be introduced, which should also streamline the process.

### 3.1.3 Governance Efficiency and Effectiveness Review

The Board was advised that the first two stages of the review have been completed, which identified good practice and common themes from forces graded outstanding on HMICFRS question 12, other forces in Wales, and those in our most similar group.

A draft report has been produced, which includes 11 recommendations. This has been presented to the Chief Constable, for submission to SLT for endorsement.

The key recommendations include:

- To ensure the governance structure is strategically aligned with force priorities; this will make it clearer how the priorities are driven forward by the force.
- Combine the quarterly Strategic Management Board and the fortnightly Senior Leadership Team meetings into a monthly meeting; this will make better use of senior leaders' time.
- Extend the scheme of delegation to enable other boards to make decisions. This will require strict parameters around what decisions can be made at each level, but should reduce duplication whilst empowering boards.

- A clear reporting structure for performance, which will be considered at all levels of the force from Chief Officers to frontline staff.
- The introduction of a gatekeeper function to oversee strategic meetings, to ensure the meetings retain focus, keep to the terms of reference, and to reduce duplication.

The Director of Finance and Resources noted that the recommendations have logical appeal, but that there will be a need to work through some practicalities before implementing. The Board was informed that a draft governance structure has been prepared, but that this might be amended to ensure meetings are under the correct pillars. It is aimed to have this stage of the work completed by September.

#### 3.1.4 Audit

The Audit Plan for 2023/24 has been agreed with TIAA, and the Board was provided with the Audit Strategy and Plan. It was noted that the Finance and Budget Officer is working to ensure that all audits are scheduled, taking into account the need to balance workloads with the need for assurance and independent scrutiny.

The final internal audit opinion is awaited; once received this will feature in the Annual Governance Statements.

The Director of Finance and resources highlighted actions in progress linked to the four limited assurance audits.

It was decided that future reports can comprise a highlight report, and that it is not necessary to include completed recommendations, since they are already subject to review by TIAA.

#### 3.1.5 Monitoring Officer role for Force

The Force Solicitor introduced a proposal to introduce a Monitoring Officer role for the force. This is not a statutory role for police forces, but is for councils and OPCCs. The purpose of the monitoring officer is for members and officers to consult on any issues of an organisation's legal powers, possible maladministration, impropriety and probity issues, and general advice on constitutional arrangements. Some forces have already introduced a monitoring officer role, by making a change to an individual's contract of employment.

The Force Solicitor advised that many of the responsibilities already fall within the substantive role, and the introduction of a Monitoring Officer role formalises the position and improves governance. The proposal is supported by Chief Officers of the Force and OPCC.

Members of the Joint Governance Board endorsed the approach, and the Force Solicitor will progress the matter.

### 3.1.6 Joint Audit Committee Action Plan

The Director of Finance and Resources presented the context of the Joint Audit Committee Action Plan, which aims to build on the effectiveness of the Joint Audit Committee, and strengthen their involvement in various areas in future.

The chair of the Joint Audit Committee thanked Board members for their feedback and invited further comments at any time regarding how to improve Joint Audit committee effectiveness.

### 3.1.7 Recommendations from Joint Audit Committee

Board Members were given visibility of open actions relating to governance arising from Joint Audit Committee meetings, and updates were provided where appropriate.

### 3.1.8 Assurance update

The report was circulated, and taken as read.

### 3.1.9 Forward Work Plan

It was agreed to add the following items to the forward work plan:

- JAC evaluation
- Item at next meeting: progress on Monitoring Officer role
- item at next meeting: update from Governance Review

3.2 The Chair confirmed that the Manual of Governance had been re-ratified by the PCC and Chief Constable at the most recent Strategic Executive Board meeting, and thanks members of the Board for their input.

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 6 September 2023.

## 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.
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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

Office of the Police and Crime Commissioner

## **Terms of Reference of the Joint Audit Committee**

This Terms of Reference sets out the Joint Audit Committee's position as an advisory committee to support the Police and Crime Commissioner (PCC) and Chief Constable (CC).

### **1. Statement of purpose**

- 1.1 The purpose of the Joint Audit Committee (the Committee, JAC) is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role is to ensure there is sufficient assurance over governance, risk and control, which gives greater confidence to the PCC and CC that those arrangements are effective.
- 1.2 JAC has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

### **2. Governance risk and control**

- 2.1.1 The Committee will:
- 2.1.2 Review the PCC's and CC's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the Manual of Governance (which comprises the Code of Corporate Governance, Scheme of Consent, Financial Regulations, and Standing Orders for Contracts).
- 2.1.3 Monitor the effective development and operation of risk management in the OPCC and force.
- 2.1.4 Monitor progress in addressing risk-related issues reported to JAC (individual force operational risk are specifically excluded from the remit of JAC).
- 2.1.5 Consider reports on the effectiveness of financial management arrangements, including with CIPFA's Financial Management Code.
- 2.1.6 Consider the OPCC's and force's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- 2.1.7 Review the assessment of fraud risks and potential harm to the OPCC and force from fraud and corruption.
- 2.1.8 Monitor the counter fraud strategy, actions and resources.
- 2.1.9 Review the governance and assurance arrangements for significant partnerships or collaborations.
- 2.2 The PCC nominates JAC to be responsible for ensuring effective scrutiny of the Capital Strategy and Treasury Management Policy.

### **3. Financial and governance reporting**

#### **3.1 Governance Reporting**

3.1.1 The Committee will:

3.1.1.1 Review the Annual Governance Statement prior to approval by the PCC and CC and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.

3.1.1.2 Consider whether the annual evaluation for the Annual Governance Statement fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the OPCC's and force's objectives.

### **3.2 Financial Reporting**

3.2.1 The Committee will:

3.2.1.1 Monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.

3.2.1.2 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 that need to be brought to the attention of the PCC and CC.

3.2.1.3 Consider the external auditor's reports to the PCC and CC on issues arising from the audit of the accounts.

### **3.3 Arrangements for audit and assurance**

3.3.1 The Committee will consider the OPCC's and force's framework of assurance and ensure that it adequately addresses their risks and priorities.

## **4. External audit**

4.1 The Committee will:

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

4.1.3 Consider specific reports as agreed with the external auditor.

4.1.4 Comment on the scope and depth of external audit work and ensure it gives value for money.

4.1.5 Advise on commissions of additional work from external audit.

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

4.1.7 Provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with JAC.

## **5. Internal audit**

5.1 The Committee will:

- 5.1.1 Review for approval the internal audit charter.
- 5.1.2 Review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- 5.1.3 Review the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance on those sources.
- 5.1.4 Consider significant interim changes to the risk-based internal audit plan and resource requirements.
- 5.1.5 Make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- 5.1.6 Consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to recommend and periodically review safeguards to limit such impairments.
- 5.1.7 Consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
  - updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work
  - regular reports on the results of the quality assurance and improvement programme
  - reports on instances where the internal audit function does not conform to the PSIAS, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.
- 5.1.8 Consider the head of internal audit's annual report, including:
  - the statement of the level of conformance with the PSIAS and the results of the quality assurance and improvement programme that support the statement (these will indicate the reliability of the conclusions of internal audit)
  - the opinion on the overall adequacy and effectiveness of the joint framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the Committee in reviewing the Annual Governance Statement)
- 5.1.9 Consider the summaries of specific internal audit reports as requested.
- 5.1.10 Receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the OPCC or force or where there are concerns about progress with the implementation of agreed actions.
- 5.1.11 Contribute to the quality assurance and improvement programme and in particular to the external quality assessment of internal audit that takes place at least once every five years.
- 5.1.12 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.
- 5.1.13 Provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

## **6. Accountability arrangements**

6.1 The Committee will:

- 6.1.1 report to the PCC and chief constable on the Committee's 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.
- 6.1.2 report to the PCC and chief constable on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
- 6.1.3 publish an annual report on the work of the Committee including a conclusion on the compliance with the CIPFA position statement.

## **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 3 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 The meetings will consist of an open session (which is held in public). If there are agenda items which cannot be discussed in an open session, a closed session will follow.
- 7.5 Training and other events take place on a periodic basis, which members are expected to attend.
- 7.6 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 inform the rest of the Committee and to provide assurance to the PCC and chief constable.

**Joint Audit Committee**

**Meeting Date: 28<sup>th</sup> July 2023**

<b>Title:</b>	Legal Report
<b>Author:</b>	Philip Kenyon Force Solicitor
<b>Purpose of the report:</b>	To provide information on litigation involving the Chief Constable of North Wales
<b>The report is provided to JAC for: (tick one)</b>	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Information
<b>Summary / Key Points:</b> (to include summary of Governance Process followed)	<p>The report contains details of civil claims received and resolved in the period 1<sup>st</sup> October 2022 – 31<sup>st</sup> March 2023 together with contracts and conveyancing transactions completed during the same period. There are no significant long trends detected. However the volume of claims has increased significantly in the last 6 months.</p> <p>This data is also presented to the Strategic Executive Board.</p>
<b>Recommendations:</b>	The report is noted.
<b>Risk register impact:</b>	No change
<b>Assurance implications:</b>	The report provides adequate assurance
<b>Equality Impact:</b>	Not applicable
<b>Information exempt from disclosure:</b>	Exempt information is contained within a report for the closed session.

Date: 28<sup>th</sup> July 2023

## **Civil Claims and Employment cases for the period 1<sup>st</sup> October 2022 – 31<sup>st</sup> March 2023**

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 rare and a breach of the procedural rules, for proceedings to be issued outside the rules of the pre-action protocol.

#### **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 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**

Since 1<sup>st</sup> April 2017 all Employers' liability claims have been dealt with in-house by the Legal Dept. This has been agreed with our insurers.

### **Public Liability**

All claims are dealt with and managed by the 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.

From 1<sup>st</sup> April 2023 North Wales Police have new insurers who have agreed that civil claims can continue to be handled in-house but can be outsourced when claims become litigated or due to the significant rise in the number of claims received.

## D E T A I L

From 1st October 2022 – 31<sup>st</sup> March 2023 **37** letters of claim were received by the Legal Department, **4** of which were Employers' liability claims and **33** were Public Liability claims. Proceedings have been issued in respect any of the claims received in the last six months.

The table below shows the total number of claims received during a six month period (1<sup>st</sup> October – 31<sup>st</sup> March) over the last six years.

**(TABLE 1) - TOTAL NUMBER OF CLAIMS RECEIVED IN A SIX MONTH PERIOD**

Year	Employers' Liability	Public Liability	Total
<b>2017/2018</b>	1	14	15
<b>2018/2019</b>	1	23	24
<b>2019/2020</b>	4	27	31
<b>2020/2021</b>	2	19	21
<b>2021/2022</b>	0	25	25
<b>2022/2023</b>	<b>4</b>	<b>33</b>	<b>37</b>

**Details of Public Liability claims received during  
1st October 2022 – 31<sup>st</sup> March 2023 following on from a complaint**

Claims received following a complaint	Complaint results	Civil Claim results
7	<p>One complaint upheld.</p> <p>2 complaints partly upheld.</p> <p>3 complaints not upheld.</p> <p>One complaint re-directed to Merseyside Police.</p>	<p>One claim has been settled.</p> <p>5 claims have been defended.</p> <p>One claim re-directed to Merseyside Police.</p>

**(TABLE 2) - TOTAL NUMBER OF LIVE CLAIMS**

There are currently 71 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).

<b>Year of Incident</b>	<b>Employers' Liability</b>	<b>Public Liability</b>
1999/2000	0	1
2013/2014	1	2
2014/2015	1	0
2015/2016	0	1
2016/2017	0	1
2017/2018	0	1
2018/2019	1	3
2019/2020	1	6
2020/2021	2	7
2021/2022	3	15
2022/2023	1	24
<b>TOTAL</b>	<b>10</b>	<b>61</b>
<b>TOTAL NUMBER OF LIVE EMPLOYERS' AND PUBLIC LIABILITY CLAIMS:</b>		<b>71</b>

**CURRENT POSITION ON LIVE CIVIL CLAIMS**

	<b>Employers' Liability</b>	<b>Public Liability</b>
<b>Proceedings issued</b>	3	10
<b>Claims successfully rebutted but not yet closed</b>	5	29
<b>Claims not yet resolved</b>	5	21
<b>Claims still being investigated/complaints ongoing</b>	0	11

**(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	17/18	18/19	19/20	20/21	21/22	22/23
Slips/Trips/Falls	1	2	5	3	1	2
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	1	3	0	0	0	1
Other	2	0	2	2	1	1
Injuries to finger/hand	1	0	0	1	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>6</b>	<b>2</b>	<b>4</b>

**Commentary**

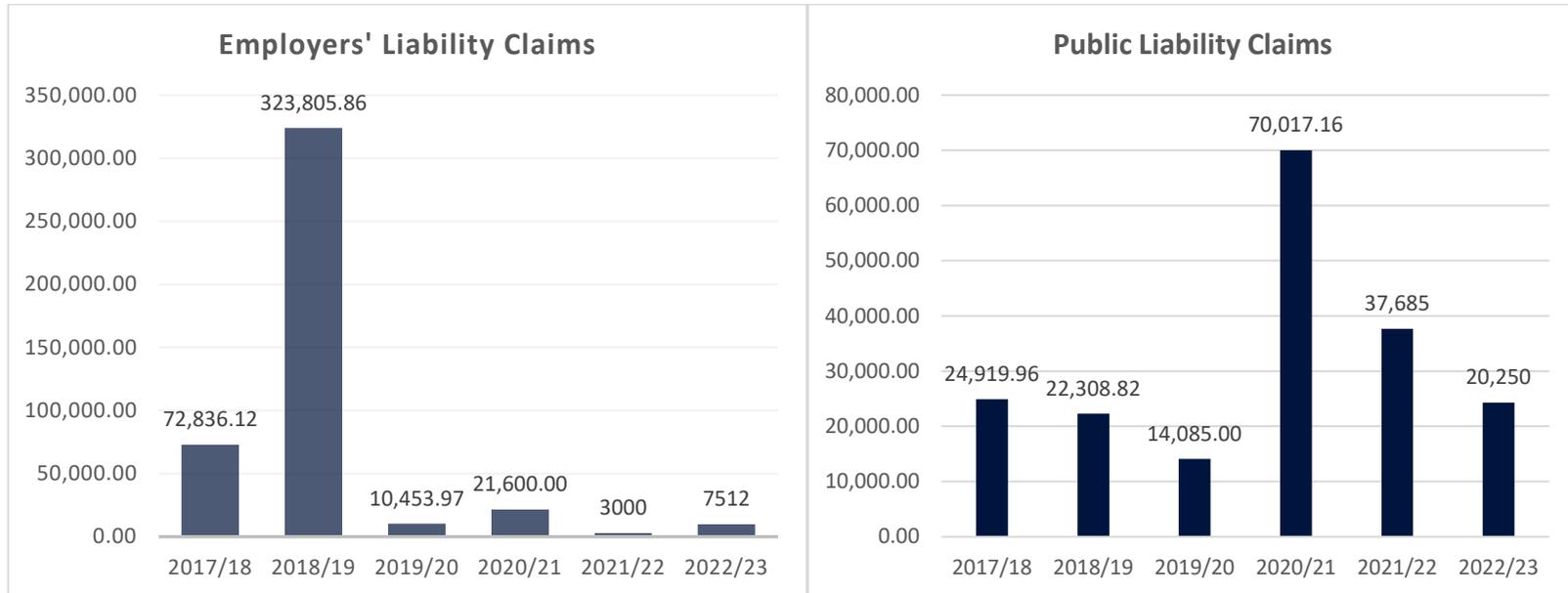
The most common type of claims received during the above years were slips, trips and falls.

**(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	17/18	18/19	19/20	20/21	21/22	22/23
Assault/Battery	5	4	3	9	15	20
Consequential Loss	3	0	2	0	5	0
False Imprisonment	8	14	11	12	20	22
Malicious Prosecution	2	0	1	3	4	3
Negligence	4	6	11	4	6	3
Other	23	13	12	21	26	14
Property Damage/seizure	21	24	18	14	7	2
Trespass to Person	3	2	2	4	10	10
Trespass to Property	1	4	2	6	1	9
Unlawful Arrest	4	2	6	6	14	10
<b>Total</b>	<b>74</b>	<b>69</b>	<b>68</b>	<b>79</b>	<b>108</b>	<b>93</b>

**Compensation awarded to Claimants between 1st October – 31st March 2023**



**Costs paid to Claimants' Solicitors in relation to settled claim  
between 1<sup>st</sup> October 2022 – 31<sup>st</sup> March 2023**

<b>Employers' Liability Claims</b>	<b>Public Liability Claims</b>
£10,337.32	£19,095.75

**North Wales Police's legal costs in relation to settled civil claims  
finalised between 1<sup>st</sup> October 2022 – 31<sup>st</sup> March 2023**

<b>Employers' Liability Claims</b>	<b>Public Liability Claims</b>
£0.00	£8105.17

**CRU and NHS Payments**

<b>Employers' Liability Claims</b>	<b>Public Liability Claims</b>
£688.00	£0.00

**Breakdown of claims settled between 1st October 2022 – 31<sup>st</sup> March 2023**

<b>Category</b>	<b>Claim</b>	<b>Number of claims settled</b>
Employers' Liability	Personal injury	1

<b>Category</b>	<b>Claim</b>	<b>Number of claims settled</b>
Public Liability	Negligence – procedural failure	3
Public Liability	Breach of Data Protection Act	1
Public Liability	False imprisonment	1
Public Liability	Copyright issue	1

### **TOTAL NUMBER OF CIVIL CLAIMS CLOSED**

The table below provides details of the number of claims which have been 'closed' since 2017. The table provides details of claims settled and where no settlement has been paid out together with the total for each year.

<b>1st April – 31st March</b>	<b>Settled Claims</b>	<b>No settlements paid</b>	<b>Total closed</b>
2017/2018	20	42	62
2018/2019	15	53	68
2019/2020	16	39	55
2020/2021	20	38	58
2021/2022	12	38	50
2022/2023	7	21	28

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**

<b>Year</b>	<b>Number of Claims Received</b>	<b>Number of Claims Outsourced</b>
2017/2018	5	0
2018/2019	5	0
2019/2020	7	0
2020/2021	6	1
2021/2022	2	0
2022/2023	4	0

**Public Liability Claims**

<b>Year</b>	<b>Number of Claims Received</b>	<b>Number of Claims Outsourced</b>
2017/2018	52	3
2018/2019	49	1
2019/2020	41	1
2020/2021	43	0
2021/2022	44	3
2022/2023	33	0

## Employment Matters

### Details of Live Employment Claims

Received	Details of Live Claims
2020/2021	1 x Race, Sex and Sexual Orientation - Ongoing.
2021/2022	1 x Race, Sex and Sexual Orientation - Ongoing.
2022/2023	Nil
2023/2024	2 x Disability Discrimination 1 x Unfair Dismissal

## Contract and Tender matters for the period 1<sup>st</sup> October 2022 – 31<sup>st</sup> March 2023

### ITEMS FOR INFORMATION

#### 1. SEALING OF DOCUMENTS

The following documents have been sealed since those reported on in the last report dated 30<sup>th</sup> September 2022

<u>No of Seal</u>	<u>Nature of Document</u>
310	Renewal Lease of ground floor and first floor at 58 Hope Street and 1 Central Arcade, Wrexham between (1) JR & Margo Limited and (2) PCC for North Wales
311	Transfer of former Police Station York Place, Conwy between (1) the PCC for North Wales and (2) Andrew Burnett Jones and Alun Burnett Jones
312	Licence for Alterations at offices at Glasdir, Llanrwst between (1) Conwy County Borough Council and (2) the PCC for North Wales

#### 2. PROPERTY TRANSACTIONS

Licence to occupy for alternations at offices at Glasdir, Llanrwst on 23<sup>rd</sup> January 2023 between (1) Conwy Borough Council and (2) the PCC for North Wales

Renewal lease of ground floor and first floor at 58 Hope Street and 1 Central Arcade, Wrexham on 1<sup>st</sup> October 2022 between (1) JR & Margo Limited and (2) PCC for North Wales

Sale of Conwy Police Station, York Place, Conwy on 8<sup>th</sup> December 2022 between (1) PCC for North Wales and (2) Andrew Burnett Jones and Alun Burnett Jones

### 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:

<u>No</u>	<u>Subject</u>
193	Cost Consultant for Holyhead new police station
194	Treasury Management Consultancy Service
195	Loft Insulation and Loft Installation
196	Forensic Property Marking
197	Drug Testing Equipment Consumables and Lab Service
198	ISO refurbishment of SARC
199	Refurbishment of Caernarfon Police Station
200	Anti Social Behaviour Video Production
201	Electron Quality Management System

#### 4. **CONTRACTS Over £10,000**

The following Contracts with a value over £10,000 which the PCC or Chief Constable is party to:

<b>No</b>	<b>Date</b>	<b>Subject Matter</b>
993	11/10/2022	Contract for Independent fox hunting review
994	27/10/2022	Contract for the provision of Fire Risk Assessment Services
996	11/11/2022	Call off Contract for Lease of bulk mailing equipment and maintenance
874	14/11/2022	Call of contract software and maintenance – sailpoint identity
997	16/11/2022	Contract for the provision of inclusive leadership workshop
998	23/12/2022	Contract for National Investigators Examination
999	13/02/2023	Contract for Cycomms Software System to Access Communications data
1002	24/01/2023	JCT Contract – New kitchen and seating area at FCC, St Asaph
1009	08/03/2023	Contract for 'Test on Arrest' (Saliva Drug Testing)
1010	16/03/2023	Call off Agreement for Vehicle Engagement Van Conversion

#### 5. **CONTRACTS Under £10,000**

The following Contracts with a value under £10,000 which the PCC or Chief Constable is party to:

<b>No</b>	<b>Date</b>	<b>Subject Matter</b>
1000	01/02/2023	Contract for Cycle to Work Scheme
1001	15/01/2023	Contract for Integrity Reporting Line – Service Level Agreement

## 6. TENDERS IN PROGRESS

The following procurements are in progress and have a value over £20,000 which the PCC or Chief Constable is party to:

Project Title	Task Status	Task
Fleet Management System	In Progress	Direct Award Via Framework
ESRI	In Progress	Direct Award Via Framework
Disposal of End of Life Emergency Vehicles/Plant	In Progress	Direct Award Via Framework
Digital Forensic Platform Procurement	In Progress	Quotations
UV Torches for Forensic Property Marking Project	In Progress	Quotations
Body Armour Replacement	In Progress	Tender by another
Digital Interview Recording Equipment	ITT Drafting	Quotations
All Wales PEQF	ITT Drafting	Tender +£100,000
Caernarfon PS Refurb & Alteration	ITT Evaluating	Mini Competition +£100,000
Production of ASB Video for Safer Streets	ITT Evaluating	Tender -£100,000
ICT Managed Workplace Services	ITT Evaluating	Tender +£100,000
ICT Enterprise System Services	ITT Evaluating	Tender +£100,000
ICT Enterprise Communication Services & Security	ITT Evaluating	Tender +£100,000
Llay, JCC & FHQ Vending Requirements	ITT Published	Tender -£100,000
Automatic Gates	ITT Published	Tender -£100,000
FCIN EQMS System re tender	ITT Published	Tender +£100,000
Construction Framework - £50 to £400K	ITT Published	Tender +£100,000
PEQF Re-tender	ITT Published	Tender by another
OHU Doctor & Nurse - Retender	ITT Spec Pending	Tender +£100,000
Oil Lubricants	Not Started	Direct Award Via Framework
Vehicle Spare Parts	Not Started	Direct Award Via Framework
National Windscreens	Not Started	Direct Award Via Framework
Fleets Cars	Not Started	Direct Award Via Framework
Supply & Fit of Tyres Expires – 10.10.23	Not Started	Direct Award Via Framework

Mold New Police Station Architect	Not Started	Mini Competition -£100,000
Vehicle Conversion	Not Started	Mini Competition -£100,000
Occupational Health and Associated Services (NWRFS)	Not Started	Mini Competition +£100,000
NWFRS Laundry Services	Not Started	Tender -£100,000
Llandudno Fire Station Full Heating Upgrade	Not Started	Tender -£100,000
RMU Optimum Replacement Proposal	Not Started	Tender +£100,000
Pace Vehicle	Not Started	Tender +£100,000
BWV Replacement	Scoping Options	Direct Award Via Framework
Vehicle Lighting	Scoping Options	Direct Award Via Framework
Firearms Access Control	Scoping Options	Direct Award Via Framework
HR - Equipment for Staff to support them for Work	Scoping Options	Mini Competition -£100,000
Finance & Personal Data Services	Scoping Options	Mini Competition +£100,000
Abergele & Porthmadog FS Training Towers	Scoping Options	Mini Competition +£100,000
ACUMA SOLUTIONS LIMITED non contracted spend review options	Scoping Options	Quotations
OHU Scanning of Files	Scoping Options	Tender -£100,000
CCTV Maintenance & Repair	Scoping Options	Tender -£100,000
Forensic Exhibit Management System	Scoping Options	Tender -£100,000
Holyhead Police Station New Build Construction	Scoping Options	Tender +£100,000
CMS Tender for OPCC	Scoping Options	Tender +£100,000
ITMAS	Waiting on Lead Force	Tender by another
FM Benchmarking	Waiting on Lead Force	Tender by another
Ambient Meals	Waiting on Lead Force	Tender by another
SFR Forensics Medicals	Waiting reply	Direct Award Via Framework
NWP & NWFRS Loft Insulation Project re carbon footprint	With Legal	Mini Competition +£100,000
Additional Physiotherapists Wrexham	With Legal	Quotations

**7. SEALED BIDS**

None.

**8. WAIVERS OF STANDING ORDERS**

TESLA MOTORS LTD	Tesla Cars x 2 for Senior Officers
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**SHL – Verbal reasoning and calculation assessment**

SHL Group Ltd	SHL Recruitment system
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**Cultural audit**

Sensia	Cultural Survey
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**Ariel Antennas**

SFL Mobile Radio Ltd	Ariel Antennas
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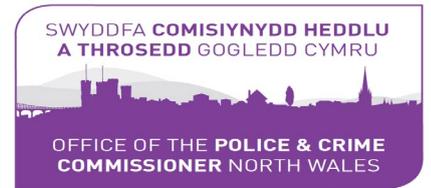
Since those reported in the last report dated 30<sup>th</sup> September 2022

It should be noted that this report is complete as at 31<sup>st</sup> March 2023



**HEDDLU GOGLEDD CYMRU**  
Gogledd Cymru diogelach

**NORTH WALES POLICE**  
A safer North Wales



# Annual Report of the Joint Audit Committee 2022 / 23

## **Annual Report of the Joint Audit Committee – 2022 / 23**

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- 6. Governance**
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## Annual Report of the Joint Audit Committee - 2022/23

### 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 2022 to 31st March 2023. The JAC members who served for the year were:-

Name
Rachel Barber
John Cunliffe
Sarah Davies
Julie Perkins
Allan Rainford

The purpose of the Joint Audit Committee is to provide independent advice and recommendation to the Police and Crime Commissioner (PCC) and Chief Constable (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. It was good to resume face to face meetings, with all meetings from July 22 being held as hybrid.

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 2022/23, there were no significant issues raised by the Committee to the OPCC or NWP Chief Constable ('NWPPCC').

As well as relying on the reports of the external auditors, Audit Wales, (AW) on the year end annual report and accounts for 21/22, the Committee considered all year-end documentation received from the Chief Financial Officer of the PCC and the Director of Finance & Resources 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 its remit, included:

- A review of the annual financial statements, focusing particularly on accounting policies and practices including placing an emphasis on the narrative report and Annual Governance Statement, which have once again seen more clarity
- Receiving assurance on capital strategy and treasury management strategy, with the former in particular continuing to be challenging in the current external environment
- Reviewing the approach to risk management and delivery of the improvements to the approach to risk management and assurance mapping

- Reviewing the effective, efficient and robust governance arrangements and structures.
- Reviewing and receiving assurance on value for money.
- Receiving assurance on the self-assessment undertaken by the Force in relation to the CIPFA Financial Management Code
- Receiving organisational updates at each quarterly meeting from the Force and OPCC to remain apprised of key events taking place within the Force
- Briefings or Deep dives on: the Force Management Statement, Sustainability and Decarbonisation, various Digital and Information Technology aspects, Communication Strategy, Forensic Collision Investigation and the Forensic Collision Investigation Network, approach to Risk, Attracting Staff, Forensic Collision Investigation Network and ICT resilience.
- The work of the ethics committee
- Receiving assurance on the work in relation to HMICFRS inspections
- Involvement in the development of the internal audit programme, including collaborative audits
- A review of effectiveness of both the internal and external auditors.
- Meeting with All Wales JAC

With regard to the Statement of Accounts the Force and the PCC readiness for the year-end audit was well prepared and no significant issues were raised. It is unfortunate however that due to Audit Wales' timeline, the Statement of Accounts were not available for review by JAC until October 22 and Audit Wales did not issue their report on the completion of the audit until March 2023 following completion of all local authority audits.

I would like to express my appreciation to all support staff and senior officers who have assisted the JAC in meeting its responsibilities. Over the course of the year, as JAC Chair I have assigned many actions requiring follow up activity to provide the necessary assurance to the committee members and this forms an important part of the overall assurance provided by the committee. I appreciate the efforts of staff and officers in this regard. 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. I believe the Committee has acted independently offering constructive challenge and supporting transparency. It has delivered against its terms of reference and looks for opportunities for continuous improvement whilst providing scrutiny in an environment of trust, support and mutual respect.

**Rachel Barber**  
**Chair of Joint Audit Committee**

**May 2023**

## 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. The Terms of Reference of the JAC are attached in **Appendix 1**. During 2022/23 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. These are likely to become effective during 23/24.

The purpose of the JAC is to provide independent advice and recommendations to the PCC and NWPPCC 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 PCC and Force's governance, risk management and control frameworks, the financial reporting and annual governance process, internal and external audits.

During 2022-23 The Committee held hybrid meetings on four occasions in accordance with its planned schedule:-

- 28<sup>th</sup> July 2022
- 10<sup>th</sup> October 2022
- 8<sup>th</sup> December 2022
- 28<sup>th</sup> March 2023

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.

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. The PCC attending the July and October meeting and the outgoing CC the meeting in July and the Temporary CC in October. 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. JAC members met with the internal auditors privately during the early part of 2023.

A number of events were held during the year by or for JAC members including; an annual all Wales JAC training day held virtually in the year; an All Wales JAC meeting hosted by North Wales JAC and

held in a hybrid format; a familiarisation day held for both the JAC and Police & Crime Panel members of North Wales Police and other diarised events that featured alongside the main formal meetings.

## **2. Work of the Committee during 2022/23**

Throughout 2022/23, 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 narrative report and Annual Governance Statement, which have once again seen more clarity
- Receiving assurance on capital strategy and treasury management strategy, with the former in particular continuing to be challenging in the current external environment
- Reviewing the approach to risk management and delivery of the improvements to the approach to risk management and assurance mapping
- Reviewing the effective, efficient and robust governance arrangements and structures.
- Reviewing and receiving assurance on value for money
- Receiving assurance on the self-assessment undertaken by the force in relation to the CIPFA Financial Management Code
- Receiving organisational updates at each quarterly meeting from the Force and OPCC to remain apprised of key events taking place within the Force
- Briefings or Deep dives on: the Force Management Statement, Sustainability and Decarbonisation, various Digital and Information Technology aspects, Communication Strategy, Forensic Collision Investigation and the Forensic Collision Investigation Network, approach to Risk, Attracting Staff, Forensic Collision Investigation Network and ICT resilience.
- The work of the ethics committee
- Receiving assurance on the work in relation to HMICFRS inspections
- Involvement in the development of the internal audit programme, including collaborative audits
- A review of effectiveness of both the internal and external auditors.
- Meeting with All Wales JAC
- Over the course of the year the many actions requiring follow up activity to provide the necessary assurance to the committee members.

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 undertaken 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 that there are opportunities to strengthen the work of the committee further through:

1. Engaging JAC as a key stakeholder in the Internal Audit Future Service Model discussions to allow them to discharge their responsibilities in line with the JAC Terms of Reference

2. Feeding back to the JAC Chair on the effectiveness of the committee from an NPCC and OPCC officer perspective for their consideration along with any other external comment they may wish to seek.
3. Ensuring that the Training Needs of committee members are being formally considered and appropriate plan developed.
4. Considering the extent to which Efficiency, Effectiveness and VFM are featured sufficiently in the work programme to allow them to discharge their responsibilities and;
5. Considering whether the JAC's public reporting is at an appropriate level or whether there was scope for improving transparency and accountability.

The action plan was agreed and progress reviewed during March 2023 and the potential to strengthen in the above areas was discussed during the closed session of the committee. A written report against the action plan was subsequently produced by the Force's Chief Finance Officer so that the steps being taken to strengthen the committees work could be captured but it is worth noting that the feedback on the effectiveness of the committee from those engaging with it was generally balanced and positive which was encouraging to see.

A further review by JAC was undertaken in March / April 2023 against the new CIPFA requirements and along with the feedback received on the committees work for 22/23 from those engaging with it, this will now form the basis for any action plan for the Committee's continued development during 23/24.

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 have been and will continue to be included in this process as a stakeholder. Given the collaborative model of Internal Audit implemented across Welsh Policing, where appropriate the conversations have involved the NWP JAC members in an all wales dialogue.

### **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. It will be extended until March 24 whilst the future approach is determined in collaboration with the rest of Wales' forces and OPCC.

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 for 22/23, which it had approved at the last meeting of 21/22.

During 22/23 the Committee received two 'Limited Assurance' audits. At the time of writing this report a further limited assurance audit report is awaited and will be provided at the first meeting of 23/24. Limited assurance audits are given a more significant emphasis by the committee and have involved the relevant Force or OPCC management attending the committees as well as the ongoing tracking of actions being given a specific focus in any management updates. The Limited assurance audits from the 22/23 programme were Seized Property and Absence Management and the awaited / pending Limited assurance audit is in the area of Health & Safety Delivery of actions were reported in detail to the JAC 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.

There was a delay in presenting the 23/24 audit plan to the March 2023 meeting due to the finalisation of Collaboration audits but the draft plan included a consideration of where further assurance was needed given the recent Limited assurance audits. The North Wales only plan was provided during April and will be presented fully for approval to the July 2023 meeting.

JAC met privately with TIAA in March 23.

#### **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 at the March 2022 meeting 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 2021/22 included Risk of Management Override, Impact of Covid 19 and Asset Valuations.

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 2022/23 was £86,933 plus VAT an increase of 3.8% on prior year.

The Committee had not received the AW 2022/23 annual plan for the March 23 meeting. It was provided with indicative percentage fee increases for the forthcoming audit along with a delayed delivery date, due to resource constraints within AW. The expectation of the committee (following this update) is that the timelines for the sign off of the 23/24 accounts will continue to be delayed by Audit Wales which will have a bearing on the timelines to which the audit committee can discharge its responsibilities moving forwards.

## 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	Digital
Allan Rainford	Finance

## 6. Governance

The Joint Governance Board met routinely during 2022/2023. 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 2021/2022 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 10<sup>th</sup> October 2022. The progress of the Annual Governance Statement Action Plan for 2022/2023 is routinely discussed at the Joint Governance Board.

A review of The Manual of Governance was instigated in March 23 and so too was a review of the Governance structure. Whilst established as an annual process, this review has been given a particular emphasis by the HMICFRS PEEL inspection that took place within Force during 2022 with the report published in February 23 (and presented to JAC in March23) giving mention to elements of governance that the force should consider in future. JAC will monitor this progress during 23/24 alongside the other Areas For Improvement (AFIs) identified as part of the PEEL Review action plan.

An update from the Ethics Committee was provided at the December meeting. JAC were informed of the resignation of the Chair and the recruitment process for a new post holder.

## 7. Risk Management & Controls

The JAC seeks assurance that there is an appropriate risk management process. It 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 outputs and greater transparency to the work the Force undertakes in this area.

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. Assurance mapping is also being adopted as a method of risk 'closure' in some instances once a risk has been de-escalated through mitigating actions or controls. A dedicated Risk session was held with JAC members in November 2022, helping to establish a more widely shared understanding of the progress made over recent years and the approach to risk.

Deep Dives and briefings have been undertaken during the year in the following areas: the Force Management Statement, Sustainability and Decarbonisation, various Digital and Information Technology aspects, Communication Strategy, Forensic Collision Investigation Network Risk, approach to Risk, Attracting Staff, Forensic Collision Investigation Network and ICT resilience. These are usually driven by the risk register and not part of the JAC routine agenda. Follow on actions from these reviews are tracked as required via the action log.

During the March 23 meeting the Force outlined its intention to commission an independent review of its risk management processes.

## **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. During 21/22 the JAC received assurance 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.

During the year JAC has sought to understand the revenue and capital underspends against budget and if they could not have been anticipated as part of the financial planning process and therefore resulted in better value for money. Officers have explained the impacts of external factors and also challenged the internal processes offering assurance that this is well understood. However, the area remains an area of focus for the committee and consideration as to whether further transparency was required was an area of consideration stemming from the JAC Evaluation action plan.

In March 2023 WA provided 'that the Commissioner and Chief Constable have appropriate

arrangements in place to secure economy, efficiency and effectiveness in its use of resources'. The PEEL inspection graded the Force as adequate with regard to Strategic planning, organisational management and value for money although two specific areas for improvement were identified in this area one of which was "The force needs to improve how it communicates its financial plans and the challenges it faces in delivering its services". JAC will continue to monitor progress against this area alongside the other areas for improvement.

During 23/24 JAC would like to see the VFM framework considered and presented routinely through items discussed at JAC. Stemming from the JAC Evaluation plan it has been agreed that work in this area will be strengthened through VFM featuring as a dedicated item of the work programme and that a VFM report outlining the VFM implications of other agenda items and other force events featuring at each meeting. Given the potential for commercial sensitivity in this area it has been acknowledged that elements of this will need to feature in a closed session.

## **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 2021/22 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 2022.
- 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 and the encouragement given to the OPCC in producing the “easy read” summary of the accounts. 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 2022/23, the JAC received assurance against the system for raising concerns as part of its schedule of business. This will continue into 2023/24.

## **11. 2023/24 Forward Plan and Meeting dates**

During 2023/24 the JAC will deliver upon its Terms of Reference and the new terms of reference when presented and more specifically:

- Track and review the actions from the Governance Review action plan and support further improvement of governance
- Gain assurance that the work of the Ethics committee progresses with the new chair
- 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 and how this is captured in all the work of JAC.
- Track and review actions from the independent review of the risk processes
- Gain assurance of readiness for an effective approach from internal audit for 23/24
- Deliver the action plan derived from its annual self-evaluation effectiveness review
- Monitor the progress and delivery of the action plan for the PEEL review
- Work with the senior officers on the format of the Audit Committee papers to support the effectiveness of efficiency of JAC in meeting the Terms of Reference outcomes

The JAC has four meetings planned during 2023-24 financial year:-

- 27<sup>th</sup> July 2023
- 28<sup>th</sup> September 2023
- 7<sup>th</sup> December 2023
- 28<sup>th</sup> March 2024

## Terms of Reference of the Joint Audit Committee

This Terms of Reference sets out the Joint Audit Committee's position as an advisory committee to support the Police and Crime Commissioner (PCC) and Chief Constable (CC).

### 1. Statement of purpose

- 1.1 The purpose of the Joint Audit Committee (the Committee, JAC) is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role is to ensure there is sufficient assurance over governance, risk and control, which gives greater confidence to the PCC and CC that those arrangements are effective.
- 1.2 JAC has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

### 2. Governance risk and control

- 2.1.1 The Committee will:
  - 2.1.2 Review the PCC's and CC's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the Manual of Governance (which comprises the Code of Corporate Governance, Scheme of Consent, Financial Regulations, and Standing Orders for Contracts).
  - 2.1.3 Monitor the effective development and operation of risk management in the OPCC and force.
  - 2.1.4 Monitor progress in addressing risk-related issues reported to JAC (individual force operational risk are specifically excluded from the remit of JAC).
  - 2.1.5 Consider reports on the effectiveness of financial management arrangements, including with CIPFA's Financial Management Code.
  - 2.1.6 Consider the OPCC's and force's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
  - 2.1.7 Review the assessment of fraud risks and potential harm to the OPCC and force from fraud and corruption.
  - 2.1.8 Monitor the counter fraud strategy, actions and resources.
  - 2.1.9 Review the governance and assurance arrangements for significant partnerships or collaborations.
- 2.2 The PCC nominates JAC to be responsible for ensuring effective scrutiny of the Capital Strategy and Treasury Management Policy.

### 3. Financial and governance reporting

#### 3.1 Governance Reporting

- 3.1.1 The Committee will:

3.1.1.1 Review the Annual Governance Statement prior to approval by the PCC and CC and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.

3.1.1.2 Consider whether the annual evaluation for the Annual Governance Statement fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the OPCC's and force's objectives.

## **3.2 Financial Reporting**

3.2.1 The Committee will:

3.2.1.1 Monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.

3.2.1.2 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 that need to be brought to the attention of the PCC and CC.

3.2.1.3 Consider the external auditor's reports to the PCC and CC on issues arising from the audit of the accounts.

## **3.3 Arrangements for audit and assurance**

3.3.1 The Committee will consider the OPCC's and force's framework of assurance and ensure that it adequately addresses their risks and priorities.

## **4. External audit**

4.1 The Committee will:

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

4.1.3 Consider specific reports as agreed with the external auditor.

4.1.4 Comment on the scope and depth of external audit work and ensure it gives value for money.

4.1.5 Advise on commissions of additional work from external audit.

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

4.1.7 Provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with JAC.

## **5. Internal audit**

5.1 The Committee will:

5.1.1 Review for approval the internal audit charter.

5.1.2 Review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.

5.1.3 Review the risk-based internal audit plan, including internal audit's resource requirements,

the approach to using other sources of assurance and any work required to place reliance on those sources.

- 5.1.4 Consider significant interim changes to the risk-based internal audit plan and resource requirements.
- 5.1.5 Make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- 5.1.6 Consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to recommend and periodically review safeguards to limit such impairments.
- 5.1.7 Consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
  - updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work
  - regular reports on the results of the quality assurance and improvement programme
  - reports on instances where the internal audit function does not conform to the PSIAS, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.
- 5.1.8 Consider the head of internal audit's annual report, including:
  - the statement of the level of conformance with the PSIAS and the results of the quality assurance and improvement programme that support the statement (these will indicate the reliability of the conclusions of internal audit)
  - the opinion on the overall adequacy and effectiveness of the joint framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the Committee in reviewing the Annual Governance Statement)
- 5.1.9 Consider the summaries of specific internal audit reports as requested.
- 5.1.10 Receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the OPCC or force or where there are concerns about progress with the implementation of agreed actions.
- 5.1.11 Contribute to the quality assurance and improvement programme and in particular to the external quality assessment of internal audit that takes place at least once every five years.
- 5.1.12 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.
- 5.1.13 Provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

## **6. Accountability arrangements**

6.1 The Committee will:

- 6.1.1 report to the PCC and chief constable on the Committee's 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.

- 6.1.2 report to the PCC and chief constable on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
- 6.1.3 publish an annual report on the work of the Committee including a conclusion on the compliance with the CIPFA position statement.

## **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 3 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 The meetings will consist of an open session (which is held in public). If there are agenda items which cannot be discussed in an open session, a closed session will follow.
- 7.5 Training and other events take place on a periodic basis, which members are expected to attend.
- 7.6 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 inform the rest of the Committee and to provide assurance to the PCC and chief constable.

## OFFICERS INVITED TO JOINT AUDIT COMMITTEE

<b>FORCE OFFICERS:</b>	
Seb Phillips	Director of Finance and Resources
Guto Edwards	Head of Finance
Helen Williams	Financial Control Accountant
Temporary Chief Super Helen Corcoran	Corporate Services
James Sutton	Head of Business Intelligence
Anne Matthews	Finance and Budgets Officer
Philip Kenyon	Force Solicitor
<b>OFFICE OF THE POLICE AND CRIME COMMISSIONER:</b>	
Stephen Hughes	Chief Executive Officer
Kate Jackson	Chief Finance Officer
Angharad Jones	Executive Assistant
<b>By Invitation</b>	
Michelle Phoenix	Audit Wales
Helen Cargill	TIAA