



**MINUTES OF THE JOINT INDEPENDENT AUDIT and ETHICS COMMITTEE
(WEST YORKSHIRE COMBINED AUTHORITY AND WEST YORKSHIRE POLICE)
HELD ON 1 OCTOBER 2021**

**AUDIT SESSION
Video Conference**

MEMBERS PRESENT

Trevor Lake (Chair)
Julie Talbot
Julie Winham

OFFICERS PRESENT

Joanne Campbell, Internal Audit Manager, WYP
Julia Clough, Head of Commissioning, WYCA (for item 13)
Julie Edwards, Head of Accountancy, WYP
Paul D Grady, Grant Thornton
Katherine Johnson, ACO, WYP
Ellen Millington, Grant Thornton
Beverley Nichol-Culff, Head of Risk Management and Insurance, WYP
Julie Reid, Governance Manager, WYCA (notes)
Neil Rickwood, Head of Audit and Risk, WYP
Angela Taylor, Director of Corporate and Commercial Services, WYCA
Christopher Thompson, Information Governance Officer, WYCA (observer)

1. WELCOME & APOLOGIES

Trevor Lake welcomed everyone to the meeting and noted apologies from Janine Nelson.

2. DECLARATIONS OF INTEREST

None declared.

3. RECORD OF ATTENDANCE

Details of the member and officer attendance at previous meetings of the Committee were circulated for information, Trevor Lake noted 100% attendance from independent members since January 2019.

4. MINUTES

The minutes of the meeting held on 23 July 2021 were agreed as a correct record.

5. MATTERS ARISING

Item 5.1 Origins HR Database

Members received confirmation that this is scheduled to be discussed in January 2022.

Item 5.2 Home Office Investigation of Data Loss from the Police National Computer

Katherine Johnson reported that the technical issue had been resolved but a Home Office commissioned learning-the-lessons review is outstanding. It was agreed that a further update should be reported to the January 2022 meeting.

ACTION: Katherine Johnson to report to Committee in January 2022 with an update on the Home Office learning-the-lessons review into data loss from the Police National Computer system.

Item 5.3 Accounts Workshop

Members confirmed that an accounts workshop was held on 30 September 2021.

Item 5.4 Finance Department Structure Following Devolution

Angela Taylor provided an organogram of the Finance Team confirming that the statutory S73 responsibilities rest with her as the Director of Corporate Services with the Head of Finance, deputising if necessary. Members were advised that on-going work is underway with police finance staff via a memorandum of understanding.

Trevor Lake sought confirmation of the Combined Authority's intentions with regard to the Head of Policing and Crime Team role which was established on a fixed term basis. Members were advised the role is presently being updated to reflect the changes arising from transfer to the Combined Authority. A further update will be provided in the January 2022 Committee.

ACTION: Angela Taylor to report to Committee in January 2022 with further information about the Head of Policing and Crime role.

Item 5.5 Chairing of Policing and Crime Team Risk Management Meetings

Beverley Nichol-Culff confirmed that the Deputy Mayor for Policing and Crime (DMPC) chairs the risk management meetings in the Policing and Crime Team with the first one taking place on 22 September.

Trevor Lake asked how continuity is preserved in terms of risk management and it was confirmed that the same reporting structure and lead officer arrangements have been maintained since the transfer to the Combined Authority.

Item 5.6 West Yorkshire Police PDR System

Katherine Johnson provided an update on the implementation of a new system for recording performance development reviews (PDR) confirming that the PDRs will be moved to a system provided by the supplier of the HR system.

Trevor Lake noted the discussion in previous Ethics Committees of the importance of the PDR process and the need to support staff in conducting PDRs.

Item 5.7 Internal Audit Report of Progress in Implementation of Recommendations

Neil Rickwood confirmed that this update is included in the Internal Audit report to Committee, item 11 of the agenda.

Item 5.8 Internal Audit Reporting into the Combined Authority

Neil Rickwood reported on ongoing discussions with the Head of Internal Audit in the Combined Authority about the reporting of internal audits carried out on behalf of the Mayor and DMPC. Angela Taylor confirmed that the Combined Authority Internal Audit Team reports to her as Director of Corporate Services.

An update was requested of the reporting routes for internal audits and for collaboration work and regional commissioning carried out in relation to the Mayor's PCC functions.

ACTION: Angela Taylor to report to Committee on the Combined Authority reporting routes for internal audits, collaboration work and regional commissioning carried out in relation to the Mayor's PCC functions.

Item 5.9 Assurance Framework

Julie Reid confirmed that this is included in the March 2022 forward agenda.

Item 5.10 DPIAs West Yorkshire Police

Katherine Johnson reported on the availability of data protection impact assessments (DPIAs) for decision makers considering single tender action requests. It was confirmed that current arrangements are ad-hoc and are being reviewed so that budget holders have access to the relevant DPIAs.

6. CHAIR'S UPDATE

None provided.

7. COVID-19 UPDATES**(a) West Yorkshire Police**

Katherine Johnson provided a COVID-19 update for West Yorkshire Police reporting continuing low levels of absences, helped by the fact that officers and staff have had

priority access to vaccinations. The COVID-19 Gold Group is due to disband later in October and the Force continues to attend the Local Resilience Forum.

Trevor Lake queried whether the Force were continuing to work on an agile basis and was advised that non-operational staff are continuing to work remotely with policies being formalised to support this in the longer-term.

(b) Policing and Crime Team

Julie Reid provided a COVID-19 update for the Policing and Crime Team reporting that the Team is still working on an agile basis which the majority of staff favoured in a staff survey during the summer. The COVID-19 risk assessment has been reviewed in line with Combined Authority practices allowing up to 20 staff to be in the building at any one time with appropriate measures for hygiene and distancing. Fire marshal and first aid appointed person training has been rolled out to all staff to support the flexible approach to working agile/office based.

8. BUSINESS UPDATES

(a) West Yorkshire Police

Katherine Johnson provided a business update reporting that the Director of Finance will be leaving shortly and the role will be reviewed and advertised. Members were updated on Chief Officer moves; DC/Supt Pat Twiggs and C/Supt David Miller are acting as Temporary ACC.

In terms of the fuel crisis members were advised that the Force has sufficient supplies and are a priority service for refuelling.

The comprehensive spending review is to be announced in late October with a flat cash settlement expected. The third year of police officer uplift funding is expected but officer numbers have not been confirmed. The budget setting process is underway in Force. A decision on the Kirklees District Police HQ is expected in October when the final costs of construction will be confirmed.

Members were informed of supply chain issues in the digital market and in vehicle fleet, the long-term impact of which are under review.

Julie Talbot noted the budget report to Committee and queried the forecast overspend on 2021-22. Katherine Johnson advised that there are £3m pressures on the police pay budget because of officer profiling; the officer uplift programme is funded over three years as 30%, 30% and 40% but in West Yorkshire officer recruitment was escalated in year one of the programme.

Julie Talbot queried what the underspend on 'other' related to and was advised that this relates to the non-pay element of the uplift which had still to be allocated to other budget lines.

Julie Winham queried the low level of capital spend to date; £3.4m being spent against the £34m budget as at 31/07/2021. Katherine Johnson advised that, ordinarily, capital

spend is geared towards the second part of the year and, in this year, the decision on the Kirklees DHQ is not expected until October. Difficulties in the digital supply chain had also had an impact.

Trevor Lake queried the spend profile for the report which was for the period 01/04/2021 to 31/07/2021, noting low spend on IT equipment and was advised that the spend is affected by the date when large licences fall to be paid.

Julie Talbot noted that the number of full-time equivalent posts was under profile but overspent and was advised that the staff vacancy factor was set at a moderately high level because of delays in approving recruitment but the vacancy factor has proved to be less than what was built into the budget.

Trevor Lake asked whether the capital spend is likely to be lower than budget given the rates for timber and cement are now lower than earlier in the year and was advised that the Estates Team manage the budget and take account of uncertainty in the market.

(b) Policing and Crime Team

Julie Reid provided a business update from the Policing and Crime Team advising that the police and crime plan consultation is underway across the county and a draft annual report has been presented to the Police and Crime Panel and will be published shortly. Additional grants have been received from the Home Office to extend the perpetrator programme to October 2021 (£166K), to fund phase two of the domestic abuse perpetrator programme (£400K) and for the Teachable Moments Project in the Violence Reduction Unit (£500K).

A number of internal phase two workstreams are being established to look at how the Policing and Crime Team is embedding in the Combined Authority and a lessons learned document is being prepared and will be shared with the Home Office so that the West Yorkshire experience can be built into planning for devolution in other areas.

Angela Taylor updated members on the proposed review of the Committee saying that a project plan is being drawn up for the review which will clarify the requirements of the Committee and confirm decision making and reporting routes.

Trevor Lake reminded the meeting that the Committee continues to carry a member vacancy.

9. DRAFT ANNUAL ACCOUNTS

(a) West Yorkshire Police

Julie Edwards introduced the draft annual statement of accounts for 2020-21 advising that the accounts covered an extended financial year of 13 months 9 days. The Force had achieved a challenging requirement to run two closedowns; one at 31/03/2021 and an additional one at 09/05/2021.

External expertise had been used for key areas of estimation; property and pension values. Members were advised that the Force had met the statutory deadline for production of the draft accounts despite the condensed timeframe following closedown on 09/05/2021.

Members were advised that there is a significant delay in the external audit of the draft accounts and a public notice of the delay has been published on the Force and Policing and Crime websites.

Members thanked the Finance Team for a very useful accounts workshop on 30 September and offered congratulations on their achievements.

Julie Talbot noted that year-on-year comparison is difficult because of the extended financial year and asked if there was likely to be any significant factors over and above the impact of COVID-19 and the extended financial year. Members were advised that the police officer uplift had also had an impact on the statement of accounts during the reporting period.

Trevor Lake sought further information about the net change in police officer numbers.

ACTION: Katherine Johnson to confirm the net changes in police officer numbers over the previous three financial years.

Members were advised that discussion is underway between the National Police Chiefs Council and the Home Office regarding precept flexibility which is expected to be reported on as part of the comprehensive spending review.

Trevor Lake asked whether there are likely to be any issues with council tax receipts and was advised that councils are indicating fewer issues with collections this year.

Trevor Lake noted a discrepancy between the MTFF reports in the Chief Constables and PCC accounts which should be corrected before the accounts are finalised after the external audit.

(b) Policing and Crime Team

Julie Edwards presented the draft statement of accounts for the PCC for 2020-21. Members noted the statement and thanked the Finance Team for an accounts workshop on 30 September 2021.

10. RISK MANAGEMENT

(a) Policing and Crime Team

Beverley Nichol-Culff presented a risk report for the Policing and Crime Team which had been agreed on 30 June 2021 and contained ten open strategic risks, two of which are red, one is high amber and six are low amber with one green risk. An Executive Team meeting on 22 September had moderated the red risk relating to failure to secure adequate funding which will be separated for the Police and the Policing and Crime Team risk registers in future. The NPAS risk remains red until another lead force has been identified.

Julie Talbot noted that the scheme of delegation had been referred to an external lawyer to consider and was advised by Angela Taylor that this is to gain advice and clarification

on the model adopted following transition to a Mayoral Authority. Angela Taylor agreed to inform members which law firm had been appointed.

ACTION: Angela Taylor to confirm, outside of the meeting, which lawyers have been engaged to consider the scheme of delegation.

Julie Winham noted that many completion dates fall to the end of the financial year for strategic risks which are longer-term. The risk relating to COVID-19 and agile working also has an end date of 31 March 2022. Members were advised that the approach to agile working aligns to Government advice, is subject to ongoing risk assessment and is also impacted by building alterations arising from the transfer to Combined Authority IT systems and a forthcoming decision on the lease associated with the Policing and Crime Team premises.

Trevor Lake queried whether the risk associated with delays in the criminal justice system had been noted and was advised that this is reflected in the COVID-19 risk.

Julie Talbot asked whether a separate risk register is kept for the transition to Mayoral Authority and was advised that all risks relating to this were closed with one current risk relating to post-transfer business.

(b) West Yorkshire Police

Beverley Nichol-Culff presented a risk report for West Yorkshire Police reporting that there were 25 open risks, seven very high, 14 high and four low. The Risk Management Group had considered these on 19 July 2021.

Members were advised of three new risks relating to resourcing of district patrols arising from officer abstractions relating to the Police Educational Qualifications Framework (PEQF), Ofsted inspections and delivery of future apprenticeship programmes and the continuing delivery of NPAS operations.

Three risks had improved; case progression in the Criminal Justice System, CCTV accreditation and performance of the Digital Forensics Unit.

Members were advised that the risks will be reviewed again on 8 November when a new risk relating to NPAS transition will be considered.

Julie Talbot queried whether the risk associated with patrol resourcing arising from the introduction of the PEQF could have been identified earlier and was advised that the risk had been identified locally and had been escalated to a strategic risk by the People Directorate. Katherine Johnson noted that recruitment to specialist departments of officers based in District had also added to the impact

Julie Talbot queried whether the risk relating to investigator resilience had materialised and was advised that the resourcing gap had improved with new cohorts devoted specifically to detectives.

Julie Talbot noted the risk relating to USB protection and queried the extent of USB usage. Members were informed that these are used by specialist departments.

Julie Winham noted that three reserves had been established; for the Police Uplift Fund, safeguarding and COVID-19 Surge Funding and asked what the basis was for determining reserve levels. Katherine Johnson advised that the COVID-19 reserve was established after end of year funding of £2.5m was issued by the Home Office which was not ringfenced to 2020-21 and will be used to fund future overtime or welfare support requirements relating to COVID-19. The safeguarding reserve was drawn from an underspend in 2020-21 and has been set aside for work relating to violence against women and girls.

Julie Winham noted the risk relating to lack of capacity to respond to District safeguarding demand had an end-date of 30 September 2021 and was advised that the risk had been reviewed and was likely to be closed at the next Risk Management Group.

11. INTERNAL AUDIT REPORT

Neil Rickwood presented the Internal Audit progress report and highlighted the work done by the Internal Audit Team on the victims' journey and domestic abuse investigations and the ongoing actions remaining.

Julie Winham noted that seven recommendations were made in the Internal Audit review of Performance Development Review (PDR) compliance work, yet an assessment of reasonable assurance was given. Neil Rickwood informed members that the review had been positive with the issue relating to the quality of management reporting highlighted separately but agreed to review the recommendations in the report.

ACTION: Neil Rickwood to review the recommendations in the Internal Audit review of PDR compliance.

Neil Rickwood reported on ongoing actions remaining from Internal Audits advising that interim reviews are built into longer-term projects and progress in implementing recommendations is satisfactory.

Julie Winham queried when follow up audits are carried out if specific dates are set in advance and was advised that the relevant Internal Auditor will pick up follow-up audits within timescales agreed with the auditee on finalisation of the report.

Trevor Lake noted the ethical issues associated with breaches of the Working Time Directive and excessive working hours and was advised by Neil Rickwood that there is much more awareness of this amongst senior officers with welfare issues being raised earlier and more frequently.

12. EXTERNAL AUDIT REPORT

Paul Grady delivered a verbal report advising that initial meetings with the statutory officers in the Combined Authority and West Yorkshire Police had taken place and it is expected that the scrutiny of financial statements and value for money audit will begin in October. Grant Thornton is also liaising with Mazars who provide audit services to the Police Pension Fund.

Trevor Lake sought assurance that Grant Thornton is able to commence the audit in October and complete it in time for the next Joint Independent Audit Committee on 7 January 2022 and was offered assurance by Paul Grady that the audit will be finalised or, at least, confirmation should be available that the majority of the work is complete and no issues remain.

Angela Taylor confirmed that she was satisfied with the plan. Katherine Johnson welcomed a swift completion of the audit.

Julie Talbot noted recent reported concerns regarding Grant Thornton's performance in auditing Patisserie Valerie and asked whether there were any lessons for public sector audits. Paul Grady advised that Grant Thornton had accepted all the findings in this particular, long-running case and had put changes in place from 2017, including an increased rigour in reviewing valuations of fixed assets and liabilities.

13. COMMISSIONING AND GRANTS STRATEGY

Julia Clough reported on the commissioning and grants strategy post-devolution giving an update on volume of commissioning work over the last 12 months which totals approximately £12m and includes a high number of grants. This is expected to increase this year.

The report highlights the importance of partnership and collaborative working including the key relationship with the Force in designing and implementing services and putting together successful funding bids.

The current strategy will be developed in 2022 to align commissioning to the new Police and Crime Plan which is currently being drafted.

Trevor Lake noted an excellent report with commendable progress and queried whether the same commissioning structure is likely to continue. Julia Clough advised that long-term grant arrangements may move onto commissioned contracts, depending on the funding settlement in the Comprehensive Spending Review.

Julie Winham queried collaborative auditing arrangements and was advised that the procurement lead is South Yorkshire Police and Crime Commissioner with audit services provided by South Yorkshire OPCC. Regular meetings of commissioning staff in the Yorkshire and the Humber Region and regional Chief Executives ensure that scrutiny of contract management is shared and highlighted.

Julie Winham queried whether West Yorkshire Internal Audit would be involved in any evaluation of the work and was advised that this would be done with the agreement of the Combined Authority, no specific risks have been identified presently.

Julie Talbot asked which organisational procedures are followed and was advised that, for commissioning under £50k the Combined Authority processes are followed and for commissioning over £50K regional procurement policies are followed.

Julie Talbot asked whether funding is via allocated amounts or through bidding and was advised that both approaches are applied by the Home Office and Ministry of Justice.

14. ANTI-FRAUD AND ANTI-CORRUPTION STRATEGY

Neil Rickwood presented a draft Anti-Fraud and Anti-Corruption Strategy, advising that further work is required in terms of providing assurance to the Combined Authority.

Trevor Lake invited members to pass any queries or comments directly to Neil Rickwood but noted that the strategy will be developed as further discussions take place regarding governance arrangements between the Combined Authority and West Yorkshire Police.

ACTION: Members to pass any queries or comments on the draft Anti-Fraud and Anti-Corruption Strategy to Neil Rickwood.

15. TENDER EXCEPTION REPORTS

Katherine Johnson reported to members on tender exceptions.

Julie Winham noted that the single tender exemption form referenced three budget holders and was advised that this reflected the chain of command but, overall, it would be the Head of Department who signed it off.

Julie Talbot noted the exemptions relating to the Digital Forensics Unit and telematics systems and was advised that a national team has been established to try to increase the number of providers given ongoing issues in the forensics market, the current contract has been extended until a more competitive exercise can be done. In terms of telematics a collaboration with Fire and Ambulance Services is underway to appoint a joint provider, the current contract being extended to cover this period of time.

Trevor Lake welcomed the fact that the overall amount of tender exemptions is lower than recent years.

16. ANY OTHER BUSINESS

None raised.

Next meeting: 7 January 2022, by video conference