



**MINUTES OF THE JOINT INDEPENDENT AUDIT and ETHICS COMMITTEE
(WEST YORKSHIRE COMBINED AUTHORITY AND WEST YORKSHIRE POLICE)
HELD ON 7 JANUARY 2022**

**AUDIT SESSION
Video Conference**

MEMBERS PRESENT

Trevor Lake (Chair)
Julie Talbot
Julie Winham

OFFICERS PRESENT

Joanne Campbell, Internal Audit Manager, WYP
Julie Edwards, Head of Accountancy, WYP
Katherine Johnson, ACO, WYP
Beverley Nichol-Culff, Head of Risk Management and Insurance, WYP
Julie Reid, Governance Manager, WYCA (notes)
Neil Rickwood, Head of Audit and Risk, WYP
Jay Schofield, Business Support Officer, WYCA (observer)
Angela Taylor, Director of Corporate and Commercial Services, WYCA

1. WELCOME & APOLOGIES

Trevor Lake welcomed everyone to the meeting and noted apologies from the Grant Thornton team.

2. DECLARATIONS OF INTEREST

Trevor Lake reported that he had been appointed as a member of the Police and Crime Panel with effect from 9 November 2021 this did not represent any conflicts of interest for any agenda items for this meeting.

3. RECORD OF ATTENDANCE

Details of the member and officer attendance at previous meetings of the Committee were circulated for information and noted.

4. MINUTES

The minutes of the meeting held on 1 October 2021 were agreed as a correct record.

5. MATTERS ARISING

Item 5.1 Origins HR Database

Katherine Johnson reported that a Business Systems Process Board has been established, reporting to her as ACO, to manage the HR programme upgrade, including a module for PDRs.

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

Katherine Johnson reported that the Home Office have completed work to locate the PNC data which had become unavailable due to a technical issue. A lessons learned report had been prepared and the Home Office are intending to publish a closure report.

ACTION - Katherine Johnson to report to Committee with the Home Office Lessons Learned Report and Closure Report (if available) relating to the investigation into data loss from the Police National Computer.

Item 5.3 Head of Policing and Crime role

Angela Taylor informed members that Julie Reid has been appointed as Interim Head of Policing and Crime pending a permanent appointment being made to the position. Recruitment is currently underway.

Item 5.4 Reporting routes into the Combined Authority

Angela Taylor provided a verbal report to Committee confirming that West Yorkshire Police Internal Audit Team reports to the Joint Independent Audit Committee and the Combined Authority Internal Audit Team reports to Combined Authority Governance and Audit Committee (including for internal audits on the Mayor's PCC functions).

Trevor Lake queried sign-off of Internal Audit workplans and was advised that the Internal Audit workplan for the Mayor's PCC functions will be approved by the Combined Authority's Governance and Audit Committee. The Heads of both Internal Audit Teams liaise regularly to co-ordinate and inform their work.

Members requested a written report to the next meeting which describes the Internal Audit reporting routes into the Combined Authority.

ACTION - Angela Taylor to report to the March Committee on the Internal Audit reporting routes into the Combined Authority.

Trevor Lake noted that the current members' terms of office end on 31/03/2022 and raised a concern about continuity of the Audit Committee.

Julie Reid provided an update on the review of the Joint Independent Audit and Ethics Committee advising that a recommendation will be made to the Mayor and Chief Constable on 25 January to separate the Committee into two; a Joint Independent Audit Committee and a Joint Independent Ethics Committee. The report will recommend that membership

of the Audit Committee is increased to five and the recruitment process begins in January to the vacancies. A detailed review of the Ethics Committee will take place with a further recommendation being made to the Mayor and Chief Constable in due course.

Trevor Lake stated that he was available to extend his term of office to provide contingency cover if required. Julie Reid confirmed that members will be approached at end of January with details of extension terms.

Trevor Lake noted that there will be a gap in the Independent Ethics Committee provision should this end in March 2022 as there will be no alternative arrangement ready at that time. This will result in a consequential loss of knowledge and continuity in the Committee.

Item 5.5 Net Changes to Police Officer numbers

Members received details of the actual and estimated net changes to police officer numbers for the period 2018 – 2023.

Item 5.6 Scheme of Delegation

Members received confirmation that Counsel advice had been received on the scheme of delegation from the Mayor to the Chief Constable and this would inform a review of governance structures.

Item 5.7 Internal Audit Report of PDR Compliance

Neil Rickwood confirmed that this report is included in the Internal Audit update to Committee (below).

Item 5.8 Anti-Fraud and Anti-Corruption Strategy

Neil Rickwood reported that he had had a meeting with new Head of Professional Standards Department (PSD) and had reinstated joint work with PSD to review the Anti-Fraud and Anti-Corruption Strategy. An audit on the vetting of designated posts had also been initiated. Comments have been received from members of Committee to inform the review of the Strategy.

Julie Winham queried whether the joint work would impact on the independence of Internal Audit and was advised that, although the strategy is prepared by Internal Audit, it is based on close work with PSD. The Strategy is approved by the Chief Officer Team.

Trevor Lake noted that the previous Anti-Fraud and Anti-Corruption Strategy also applied to OPCC staff and requested clarification of the arrangements which now apply to the Policing and Crime Team.

ACTION – Angela Taylor to confirm the arrangements applying to the Policing and Crime Team in terms of Anti-Fraud and Anti-Corruption policies.

6. CHAIR'S UPDATE

Trevor Lake reported that he had been appointed to the West Yorkshire Police and Crime Panel (effective from 9 November 2021) and, along with other members of the Committee, his term of office is due to end on 31/03/2022.

Officers were asked to ensure that, where-ever possible, Committee receives written reports rather than verbal updates.

7. COVID-19 UPDATES

(a) West Yorkshire Police

Katherine Johnson provided a COVID-19 update for West Yorkshire Police reporting that the Gold / Silver / Bronze Structure has been reinstated under ACC Catherine Hankinson. Business continuity plans have been refreshed and staff are working on an agile basis where possible. Abstraction levels are at 5%, an increase on the previous week but, broadly speaking, service levels have been maintained.

Beverley Nichol-Culff confirmed that no significant risks have been reported from the Gold Group at this point.

(b) Policing and Crime Team

Julie Reid provided a COVID-19 update for the Policing and Crime Team reporting that staff were continuing to work from home with most meetings being held on-line. Managers have discretion to arrange face-to-face work and events where necessary and provided appropriate safety measures are in place. A number of COVID-19 infections had been reported amongst the Team but staff were, largely, able to continue to work from home and delivery had not been affected.

8. BUSINESS UPDATES

(a) West Yorkshire Police

Katherine Johnson provided a business update reporting that the Kirklees DHQ proposal has been approved and work is imminent. Members were also informed that West Yorkshire Police has received a very positive HMICFRS report with four areas graded as outstanding, four as good and two as adequate.

Julie Winham requested sight of the action plan relating to the HMICFRS inspection.

ACTION – Katherine Johnson to provide the HMICFRS action plan for the next meeting.

Katherine Johnson informed members that the police funding settlement has been confirmed. A number of spending pressures remain but a balanced budget has been prepared for 2022-23, based on the Mayor's maximum precept proposal. A funding gap of £9m is predicted by 2023-24.

Members were also informed that a due diligence exercise is underway for the NPAS transfer. The Force have provided information to inform the work which has presented a drain on resources. The due diligence report is expected later in January with a decision on a lead-Force by April 2022. Transition planning for a transfer is underway with the creation of a local transition structure.

Julie Talbot queried what would happen if a lead force could not be identified and was advised that the NPCC is currently working on alternative models for this eventuality.

Trevor Lake congratulated the Force on an outstanding HMICFRS review which is a product of the positive culture of improvement instilled by Chief Constable John Robins.

(b) Policing and Crime Team

Julie Reid provided a business update from the Policing and Crime Team advising that the Police and Crime Plan is currently being finalised and will be reported to the next meeting of the Police and Crime Panel. A precept survey has been launched to gather views on the Mayor's precept proposal which is to levy £10 pa on a Band D property. The precept proposal and budget will be presented to the Police and Crime Panel in February. The meeting was informed that a number of short-term appointments will be made in the Team to cover staff vacancies whilst the Police and Crime Plan is being finalised and an organisational review can take place to align staffing resources to the demand arising from the Plan. Members were also advised that there is a lease-break on the lease of Ploughland House in 2022 and staff consultation on a potential move is taking place. Staff in the Policing and Crime Team are currently having interim PDR reviews in preparation of a move to the Combined Authority PDR timeframe of having annual reviews in April each year.

Julie Winham queried whether short term appointments would be possible. Julie Reid acknowledged a challenging labour market and noted that secondment and partnership collaboration may be required to assist if recruitment is unsuccessful.

Trevor Lake raised a concern over the risk associated with not backfilling the Governance Manager role which was acknowledged by Julie Reid who stated that some economies could be realised as the Governance Manager position works very closely with the Head of Policing and Crime position.

Trevor Lake noted anticipated public sector absence rates of 25% associated with COVID-19 and the potential risks this presented to Policing along with the clear impact that prolonged agile working can have on mental health and wellbeing.

9. DRAFT ACCOUNTING POLICIES

Julie Edwards reported on accounting policies for the Chief Constable's accounts. Members were advised that the Force and Combined Authority are working closely to build the Group Accounts and to align the accounting policies across both the Chief Constable and the Group accounts. Members were informed that the Group Accounts will be reported within the Combined Authority accounts.

Angela Taylor noted the complexity of the Group Accounts and the need to ensure that the Police Fund is identified separately to the other Combined Authority funding.

Members were advised that practice in Greater Manchester Combined Authority and in the Mayor's Office for Policing and Crime (MOPAC) is informing the work in West Yorkshire.

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 1 December 2021 and contained 11 open strategic risks, two of which are red, two are high amber, six are low amber and one is a green risk. Two red risks were reported relating to securing adequate resources to deliver the Police and Crime Plan and the impact of the National Police Air Service (NPAS) on capacity of the Combined Authority. Two new risks were also reported relating to vacancies in the Policing and Crime Team and the budget of the Policing and Crime Team and one risk, relating to disruption to business continuity arising from the COVID-19 pandemic, has been closed.

Julie Winham queried the impact of the McCloud pension judgment on the risk relating to a failure to secure adequate funding and was advised that this is included in the Force risk register. The costs associated with the judgment will be met by the Home Office - the biggest impact is in relation to the time taken to implement the necessary changes.

Julie Winham queried the closure of the COVID-19 risk and was advised that this was done before the current Omicron variant, but the risk has been mitigated to business as usual as far as possible.

Julie Talbot queried whether the budget had impacted on short term recruitment and was advised that the risk related to future staffing structures with short-term recruitment being covered within the existing envelope.

Julie Talbot queried whether recruitment had been made to the police finance post and was advised by Angela Taylor that recruitment to a police Financial Accountant is continuing with a new Head of Finance appointment commencing later in January. At a strategic level, the police financial resource is available and other Finance staff are covering the operational police financial accounting demands.

Julie Talbot queried whether VRU funding had been confirmed and was advised that this had not yet been received but it was hoped that an announcement was imminent and that this would be a multi-year funding arrangement.

Trevor Lake noted that there still remained a high element of risk relating to the post-transition implementation in terms of interim roles, vacancies and uncertainty, suggesting a review of the risk. Trevor Lake noted the reference to Memoranda of Understanding and Data Processing Agreements between the Combined Authority and the Force and was advised that sign off is underway.

Trevor Lake noted that, from his annual attendance at the Risk Management Group, it was clear that this was well run and effective, recommending that the next Chair of the Joint Independent Audit Committee also attends the Group.

(b) West Yorkshire Police

Beverley Nichol-Culff presented a risk report for West Yorkshire Police (agreed by the Risk Management Group on 8 November 2021) showing that there were 25 open risks, six red, 17 high amber and two low amber. A new risk has been reported relating to transition of the National Police Air Service to a new Lead Policing Body by June 2022 with a potential impact on Force reputation and service delivery. Two risks had been escalated; the risk relating to Digital Forensic Unit examination of exhibits has been escalated from low to high amber and a risk relating to a delay in introducing ISO 17020 accreditation for CCTV evidence has increased but remains low amber. The risk relating to capacity and capability to deal with District Safeguarding demand has improved from red to high amber and the risk relating to out of date Force policies has been closed. Beverly Nichol-Culff agreed to include local operational risks in the next committee report for assurance.

ACTION – Beverley Nichol-Culff to report to Committee with the Force local operational risks.

Julie Talbot asked for an assessment of the very highest risks and was advised that the NPAS risk along with the risk relating to preventing an act of terrorism are significant.

Julie Winham queried whether HMICFRS assessments are reflected in the risk registers and was informed that these are considered.

Julie Winham noted the risk relating to inadequate internal financial control regarding PACE cash seizures and asked if unannounced visits are being carried out by Internal Audit staff. Jo Campbell advised that unannounced visits had not been conducted recently, primarily due to COVID-19 but would be included in the Internal Audit workplan. Beverley Nichol-Culff confirmed that insurance cover had been increased to £7m for seized cash. Julie Talbot suggested an approach of Internal Audit calling on the morning of the unannounced visit to confirm COVID-19 measures before attending.

Julie Winham noted the risk relating to loss of access to data assets and queried how penetration testing is done. Beverley Nichol-Culff advised that the results of penetration testing, which is done by an external third party, are fed into the Strategic Oversight Board. Members requested that penetration testing results are considered in development of the Internal Audit workplan.

ACTION – Neil Rickwood to ensure that the results of penetration testing are incorporated into Internal Audit work planning.

Katherine Johnson drew members' attention to an emerging risk relating to BMW engine faults which can give rise to a fire risk. West Yorkshire Police have undertaken mitigation work on the engines and provided driver-guidance.

11. INTERNAL AUDIT REPORT

Neil Rickwood presented the Internal Audit progress report including victims' services assessment and quality of investigations; work which has contributed to the HMICFRS inspection outcome.

Members were advised that agile work is continuing in the Team.

Julie Winham sought an update on the 2022-23 Internal Audit workplan and was advised that the plan will be brought to March Committee.

Julie Winham queried quality feedback questionnaires and was advised by Jo Campbell that these are issued after every audit and are reported as part of the Internal Audit annual report. Members sought an update on quality feedback.

ACTION – Neil Rickwood to provide information to Committee on Internal Audit quality feedback.

Julie Winham noted a long management response timeframe for the Internal Audit review of accreditation and was advised that the delay is reasonable given that Local Accountability Meetings are the vehicle for capturing information about accreditation.

Julie Winham noted that the Internal Audit review of local procurement had identified a significant number of transactions which appeared to be failing to comply with Standing Orders. Neil Rickwood confirmed that this had been identified by Commercial Services and often relates to aggregation of spend, reflecting the interface between local and regional procurement teams.

Julie Winham asked if Internal Audit would be involved in assessing the effectiveness of arrangements for regional procurement and was advised that the audit is done by Barnsley Council, but Internal Audit have the opportunity to communicate issues to be built into the audit plan.

Julie Winham queried how the effectiveness of the new PDR system will be assessed (PDR audit follow up report) and was advised that this will be followed up once the new system is implemented in April 2022.

Julie Talbot sought assurance that the Internal Audit work plan is on track and resourced appropriately. Neil Rickwood confirmed that the plan is mainly on-track with a small number of outstanding audits for this year.

Trevor Lake noted the PDR compliance audit and expressed disappointment that the action plan has been delayed, seeking further information about PDR completion rates.

ACTION – Katherine Johnson to report to Committee with PDR completion rates.

12. INTERNAL AUDIT PEER REVIEW

Neil Rickwood reported to members on the Internal Audit peer review which is due in 2022. The last review was in 2017 with Greater Manchester and Merseyside who have agreed to carry out another review this year.

Julie Winham sought assurance that the audit sample is independently examined and was advised that the Head of Internal Audit in each Authority will be responsible for identifying the audit sample. Angela Taylor confirmed that the Combined Authority also adopt a peer review approach.

13. EXTERNAL AUDIT REPORT

Members noted the external audit report provided by Grant Thornton.

Julie Edwards stated that the report presented a fair representation of the journey but contained some minor misunderstandings which will be raised with Grant Thornton.

Julie Talbot queried whether the audit is still on target to complete on time. Julie Edwards was unable to comment; the current delay from Grant Thornton being due to annual leave and other commitments. Trevor Lake recommended that the Force write to Grant Thornton outlining the concerns expressed by members that the agreed timeframe will not be met.

Julie Talbot asked whether there are likely to be any changes to the accounts arising from the External Audit report and was advised that the only changes are likely to relate to the valuation of helicopters.

14. COMMITTEE ANNUAL REPORT

Julie Reid presented an annual report for the Audit Committee covering the period 1 January – 31 December 2021. Members noted the report.

15. COMMITTEE SELF-ASSESSMENT

Julie Reid presented a Committee self-assessment report for the period 1 January – 31 December 2021. Members noted the report.

16. TENDER EXCEPTION REPORTS

Katherine Johnson reported to members on tender exceptions.

Trevor Lake querying the exception relating to Fotoware and was advised that this is specialist software embedded in Niche which allows digital imagery to be included in the record.

Julie Talbot noted that two urgent exceptions both related to the Transport Section and was advised this reflects the complexity of the procurement landscape with the tenders being support by Bluelight Commercial.

Julie Winham noted that the exception relating to asset and building valuation had a timeframe for completion of the work of January – March 2022 and was advised that there were no concerns with this timeframe as preparatory work has been done in advance of the deadline.

17. ANY OTHER BUSINESS

None raised.

Next meeting: 18 March 2022, by video conference