

**HEDDLU
GOGLEDD CYMRU
NORTH WALES
POLICE**

JOINT AUDIT COMMITTEE

9.30am – 8 December 2021

Online by Microsoft Teams

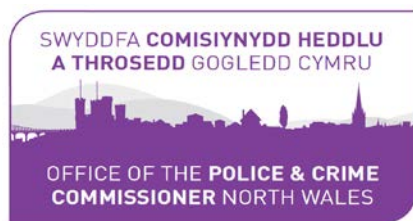
AGENDA

Attendees:

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

	Standing Items		Purpose	Page	Time
1	Apologies	Chair			
2	Minutes of the last meeting The Chair shall propose that the minutes of the meeting held on 6 October 2021.	Chair		2 - 10	5 Mins
3	Actions Log	Chair		11 - 24	15 Mins
	Standing Items				
4	Organisational Update	Chief Executive Officer & Director	Information	25 - 29	10 Mins

		Finance and Resources			
5	Internal Audit a. Internal Audit Overview – Management Report (incl. summary of Follow-up Review) b. Internal Audit SICA 2020-21	a Director Finance & Resources / Budget Officer b– TIAA Audit Manager	Assurance	30 - 43 44 - 56	10 Mins
6	Risk Update Risk Process Development & Current Risk Register	Head of Business Intelligence	Assurance	57 - 64	10 Mins
7	Work Programme for 2021/22	Chief Finance Officer	Decision	65 - 68	5 Mins
	Substantive Items				
8	Audit Wales – Value for Money and Annual Audit Report (Management Letter	Audit Wales	Assurance	69 - 76	10 Mins
9	Capital Programme – progress update 2021/22	Director of Finance and Resources / Head of Finance	Information	Oral	10 Mins
10	Legal Report	Force Solicitor	Information	77 - 95	10 Mins
11	Assurance update; assurance from high-level meetings - JGB	Chief Finance Officer	Assurance	96 - 99	5 Mins
12	Treasury Management	Head of Finance	Assurance	100 - 110	10 Mins
13	FM Code Update	Head of Finance	Assurance	111 - 126	10 Mins
14	Ethics	Ethics Committee Chair	Assurance	127	10 Mins
	AOB (Advise the chair ahead of the meeting)				
	DATES OF FUTURE MEETINGS 28 March 2022 28 July 2022 6 October 2022 8 December 2022				
		TOTAL			2hr.



**HEDDLU
GOGLEDD CYMRU
NORTH WALES
POLICE**

JOINT AUDIT COMMITTEE

6 OCTOBER 2021

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
Phil Kenyon – Force Solicitor
Chief Superintendent Sian Beck, Corporate Services
Anne Mathews - Finance and Budgets Officer
James Sutton – Head of Business Intelligence
Dewi Williams – Management Accountant
Kerrie Ambrose – Head of Strategic Change and Collaboration

OFFICE OF THE POLICE AND CRIME COMMISSIONER:

Andrew Dunbobbin – Police and Crime Commissioner (Item 9 only)
Stephen Hughes – Chief Executive Officer
Kate Jackson – Chief Finance Officer
Angharad Jones – PA to the Chief Executive

OTHER ATTENDEES

Jonathan Maddock, TIAA
Michelle Phoenix, Audit Wales

OBSERVERS

Cllr Arnold Wooley
Cllr Edgar Owen
Cllr Huw Irving

1. **APOLOGIES AND DECLARATIONS OF INTEREST**

Apologies: Helen Cargill, TIAA

There were no declarations of interest.

2. **MINUTES AND ACTION LOG**

The minutes of the meeting held on 4 August 2021 were agreed as a true record of the meeting with one amendment.

Action 7 – Director of Finance and Resources to arrange a briefing meeting to discuss Project Risks with Joint Audit Governance Lead.

3. **ACTION LOG**

Members were asked to note the new referencing to the action log. Action Log was updated and will be circulated with the minutes. Actions recommended closed and agreed closed were: 145b, 4/8/2021 - 1, 2, 3, 4, 5, 6, 8, 9, 10, and 11.

Joint Audit Committee member asked that actual dates are inserted into the actions table and single owner noted within the “person responsible” column and clarity of the action/description

Action 1	Personal Assistant to update table to show actual dates and single person responsible for actions and clarity of the action/description.
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4. **ORGANISATION UPDATE**

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

Office of the Police and Crime Commissioner

Chief Executive Officer welcomed members of the Police and Crime Panel who were observing today's Joint Audit Committee meeting.

A very busy Police and Crime Panel meeting was held on 20 September where a confirmation hearing for the new Deputy Police and Crime Commissioner was held and the appointment unanimously ratified. The Annual Report for 2020/21 was also agreed at the meeting and is available on the OPCC website. The new Police and Crime Plan was also approved and will be distributed to Joint Audit Committee members for information when published.

Action 2	Chief Executive to send the new Police and Crime Plan to Joint Audit Committee members once published.
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A further £336K of funds have been secured in the Safer Streets 3 bidding round. This money will be used to help tackle violence against women and girls in public spaces.

Internal Audit are currently undertaking a review of Commissioning Services within the Office of the Police and Crime Commissioner and will be shared with members in due course.

Joint Audit Committee members congratulated all for securing the additional Safer Streets monies and look forward to receiving the internal report on the Commissioning Services.

North Wales Police

Director of Finance and Resources reported that the Comprehensive Spending Review work was continuing in the background although the timing of any announcements remains uncertain.

The “Health and Social Care Levy” recently announced by Government is still being worked through and the impact that this will have on the employer has yet to be fully understood. Various scenarios will be built into the Medium Term Financial Plan but as yet the detailed implications are not understood. It is hoped/expected that additional funding will be received by the Treasury.

Helen Wynne-Williams has been appointed as the Head of Technology for a fixed term of two years and Nigel Harrison has been appointed as Temporary Assistant Chief Constable. A formal recruitment process for the Assistant Chief Constable role will be held in due course.

Joint Audit Member questioned the appointment to Head of Technology for a fixed term period. Director of Finance and Resources explained that this was one of the number of options considered and decided best option for all concerned.

It was asked if the Force/OPCC had any plans for further public engagement following the Q&A session recently held on Twitter as not all have access/use this platform. It was reported that a de-brief had been held to see how well this had worked but that this was only one part of the recent consultation process with an on-line/paper survey also being undertaken with regards to consulting the public on the priorities set within the Police and Crime Plan. Chief Executive to update Joint Audit Committee members on the Communications Strategy.

Action 3	Chief Executive to update Joint Audit Committee members on the Communication Strategy going forwards.
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Joint Audit Member questioned the progress made against the National Enabling Programme roll-out and would welcome a Deep Dive session to cover. Director of Finance and Resources indicated that off-line meetings would best cover this area of work and will schedule a meeting of the Committee’s IT Lead.

Action 4	Director of Finance and Resources to organise off-line meetings to discuss the National Enabling Programme with JAC IT Lead.
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Joint Audit Member requested further clarification on the broader organisational change/governance programme and how they combine to provide governance around delivery. Director of Finance and Resources to pick-up on broader governance issues and circulate paper which was presented to Strategic Executive Board to Joint Audit Committee members for information.

Action 5	Chief Finance Officer to circulate paper presented to Strategic Executive Board
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	around the effectiveness of Governance Arrangements to Joint Audit Committee members.
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Director of Finance and Resources to provide assurance that North Wales Police are looking closely at recommendations arising from the Sarah Everard murder and is happy to provide further detail in the closed session of Joint Audit Committee.

5. **HMICFRS UPDATES**

Joint Audit Committee noted the update provided within the paper and the new approach that the PEEL inspections would take going forward.

Joint Audit Member questioned the forty six recommendations that require progression and asked how these are monitored. Chief Superintendent Corporate Services explained that progress is monitored at Chief Officer level but that many of the outstanding actions are national actions and not just for North Wales Police.

Areas for improvement are now escalated if the force are struggling to improve. These issues are now highlighted at Chief Officer level and will also be brought to the attention of Joint Audit Committee.

6. **INTERNAL AUDIT**

a. INTERNAL AUDIT OVERVIEW – MANAGEMENT REPORT

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

Joint Audit Committee members asked if the table showing exhibits checked out to officers could be updated ahead of the next meeting in December to show progress.

Action 6	Finance and Budgets Officer to update table of Seized Property ahead of December Joint Audit Committee meeting to show progress made in reducing number of items checked out.
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It was requested that if response deadlines were missed that a reason why is given and shown within this paper.

Chair asked that the way that the table is presented is further considered ahead of the next Joint Audit Committee meeting to ensure that assurance given that the processes are robust and that figures reported are accurate and reason why exhibits are checked out.

Action 7	Finance and Budgets Officer to consider how the table can be displayed going forward with additional information shown to provide assurance that robust processes are in place to monitor.
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b. INTERNAL AUDIT SICA 202-22 AND 2020/21 ANNUAL REPORT

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

7. RISK UPDATE

Joint Audit Committee noted the update provided within the Risk Update paper as at 6 September 2021.

The Covid-19 risk register has now been closed and two risks transferred to the main risk register and seen as business as usual.

Joint Audit Committee asked that more detail on assurance mapping is provided within the paper at the next Joint Audit Committee meeting.

Action 8	Head of Business Intelligence to provide further detail on assurance mapping within paper to next meeting.
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Chair enquired whether lessons had been learnt from the Covid pandemic which could be shared with Joint Audit Committee. Head of Business Intelligence reported that at the end of the Gold Group a Pandemic Framework had been produced with lessons learnt extracted and changes to the business continuity plans as a result of these lessons could be shared with members.

Action 9	Head of Business Intelligence to share Covid-19 Gold Group Pandemic Framework and changes to business continuity plans with Joint Audit Committee members for information.
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8. WORK PROGRAMME FOR 2021/22

Joint Audit Committee noted the updated work programme.

Joint Audit Member questioned the process to re-procure internal audit services and the Committee's involvement in this process as no date had been set for discussion within the work programme.

Director of Finance and Chief Finance Officer to discuss the best way to involve members within the procurement process and suggested holding a dedicated session on this matter outside of the meeting.

Action 10	Director of Finance & Chief Finance Officer to consider how best to include Joint Audit Members in the Internal Audit procurement process.
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Chair suggested that a further conversation was had with all Wales Joint Audit Committees to see what involvement they should have in the Internal Audit procurement process.

The Risk Deep Dive on the Adequacy of Financial Resources scheduled for March 2022 was questioned and what this would involve as the budget would already be set by this date.

Chief Finance Officer stated that she will prepare a paper for the Police and Crime Panel on the financial position at the end of January and will share this paper with members for their information.

Action 11	Chief Finance Officer to provide Joint Audit members with a copy of the Financial Report which is to be prepared for the Police and Crime Panel in January.
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9. **ISA 260 AND SIGNING OF ACCOUNTS 2020/21**

Audit Wales Opinion

Joint Audit Committee noted the report provided by Audit Wales which highlights the main findings of the audit and the processes followed.

Audit Wales reported that this document lays out what needs to be reported and thanked the Finance Team for their hard work and cooperation at this difficult time.

A potential threat to the independence of the audit work had been identified but Audit Wales remained independent and objectivity was not compromised in any way.

The audit has been completed with no significant issues identified relating to the accounts this year.

The first drafts of the accounts were completed before 1 June 2021 and Audit Wales completed their work within the agreed timescales. Audit Wales expect to sign the accounts on 7 October 2021 with electronic signatures and once letters of representation are received, Audit Wales expect to issue an unqualified audit opinion on both sets of accounts.

One unadjusted misstatement was identified within the account which totalled £200k. This has been discussed with the finance team and will be reviewed during 2021-22 and amendments made where applicable. This does not affect the audit opinion but needed to bring to the Committees attention.

Joint Audit Member asked why the misstatement was not picked-up sooner as related to historical provisions. It was explained that Wales Audit do not audit everything and that only a random sample is tested.

It was questioned whether the valuation of assets and pensions liabilities had to be done differently and if so how this was achieved. Wales Audit explained that they assess the capability of the registered valuers and what information has been requested by the Force. It was further explained that the Gwynedd Pension Fund are independently audited and assurance is received from these reports.

Management Response on Exception

Joint Audit Committee noted the report presented which highlighted the actions and decisions taken by North Wales Police and the Office of the Police and Crime Commissioner when producing the Statement of Accounts for 2020-21.

The timetable adopted for 2020-21 were affected by the Covid pandemic in a similar way to 2019-20. The draft statements were produced and certified by the responsible officers by the end of May 2021; however due to other commitments Audit Wales were unable to commence their audit work in time to meet the 31 July 2021 deadline. Following discussion a revised timetable was set with 6 October being set as the date to approve both sets of accounts.

Management note the unadjusted misstatements which relates to two provisions raised a number of years ago with insurance provision. If raised today these would have been placed into the insurance reserve. These issues will be reviewed as part of the 2021-22 accounts and an assessment made if they are still required before the correction is made.

Joint Audit Member questioned how the public's right to inspect the accounts had been achieved and whether any special measures had been put in place. Head Finance explained that adverts were placed as normal and all information would have been forwarded to the public electronically as in normal times therefore no change in process was required.

The forecast accuracy was questioned and was there a risk at how this was being managed. Director of Finance and Resources explained that the Covid pandemic is one of the reasons why planning projections were not met and also a reason for the underspend. To give an early indication Director of Finance & Resources stated that 2021/22 is revenue spend was broadly on track but that there will be an underspend against the capital budget.

JAC Recommendation on Approval of Accounts

Members and Chair thanked all parties for their hard work in achieving an unqualified set of accounts.

The Reports by the Chief Constable's and the Police and Crime Commissioner's Chief Finance officers were taken as read. A discussion was held regarding the resolutions therein in respect of the annual statements of accounts and annual governance statements of the 2020-21 Statement of Accounts. Following this discussion the Joint Audit Committee resolved as follows:

- **In accordance with its Terms of Reference, the Joint Audit Committee has reviewed the Annual Financial Statements for the year ended 31 March 2021 of the Police and Crime Commissioner and Chief Constable and has considered the external auditor's reports thereon. The Joint Audit Committee confirms that there are no unresolved matters arising that require to be reported to the Police and Crime Commissioner and Chief Constable, prior to their approval of the respective Annual Financial Statements.**

NOTE: The Police and Crime Commissioner, Chief Constable and all other parties will sign the accounts electronically outside of this meeting.

10. **ASSURANCE UPDATE; ASSURANCE FROM HIGH-LEVEL MEETINGS – JOINT GOVERNANCE BOARD**

Joint Audit Committee noted the work undertaken by the Joint Governance Board.

Chair requested sight of the Governance and Efficiency Review report for information. Chief Finance Officer to circulate paper for members' information.

Action 12	Chief Finance Officer to circulate Governance and Efficiency Review paper to Joint Audit Committee members for information.
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12. **VALUE FOR MONEY**

Joint Audit Committee noted the content of the presentation given by Director of Finance and Resources and Management Accountant on the Value for Money Framework and noted where the HMICFRS Value for Money Profiles sit within this process.

Chair asked that knowing the limitations, what assurances can be given that Value for Money is achieved and whether this is linked into the governance structure.

It was reported that value for money is used as an evidence base to support ongoing/planned work and the audit committee asked that this be considered further in the planned Finance Deep dive session scheduled as part of the work programme.

There was a discussion around the need to ensure that the impact of the variations in population seen in North Wales is also measured to ensure that the graphs produced highlight the high variation in population experienced during the summer months which could alter the figures produced.

Chief Executive Officer stated that Social Value is a key consideration and that it was important to the current Commissioner as it was to previous Commissioners. Important that an organisation as large as the Force should have a positive impact on the local economy.

13. **COLLABORATION OVERVIEW**

Joint Audit Committee noted the presentation by Head of Strategic Change and Collaboration which provided an update on collaborative work being undertaken within the Force and projects involved.

Joint Audit Committee member requested a deep dive into the collaborative work being undertaken to better understand how this work is undertaken and how partners/projects are chosen.

Action 13	Chief Finance Officer to include Collaboration Deep Dive within the Work Programme.
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14. **ANY OTHER BUSINESS**

There was no other business raised.

The next Joint Audit Committee meeting will be held on 8 December 2021 at 9.30am either in Conference Room 1, FHQ Colwyn Bay or by Microsoft Teams.

JOINT AUDIT COMMITTEE ACTION LOG from 06.10.2021

	Open
	Closed
	Deferred

New/Open actions from March 2021

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
	56a	Ethics - Police and Crime Commissioner to raise with Victim's Commissioner the dilemma received regarding individuals who are sexually assaulted.	On hold	Police and Crime Commissioner	Chief Finance Officer has liaised with Chief Information Officer who states that this is a national issue which is being considered currently by the ICO, CPS and courts and recommends that the PCC does not involve himself in the matter at the moment. 09/03/2020 – as national issue, the PCC getting involved may hinder progress. Put on hold until the national picture becomes clearer. 02/06/2020 - On hold. Awaiting national progress. 19/10/2020 – Confirm no further update received. 30/03/2021 – New Chair in post and handover ongoing. Director of Finance and Resources to ensure that this matter is included within the handover. 04/08/2021 – Director of Finance has looked into the matter raised further and will discuss with Chief Executive and Chair of the Ethics Committee to agree way forward. 05/10/2021 – Director of Finance and Resources met with Jacquie Don, Chair of the Ethics Committee, last week to discuss two separate issues that potentially relate to the long-standing JAC action. The Ethics Committee Chair intends to discuss these issues at the forthcoming October board if possible. Once discussed the committee will

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
					<p>feedback on potential next steps which can be fed into JAC to discharge the action.</p> <p>17/11/21 – Ethics Committee met on 26th October and relevant issues were discussed (a brief summary has been sent separately by the Chair Jacquie Don). As a result, the Ethics Committee have requested further information to review at a future board. In due course the output from the Ethics Committee will be fed into a forum chaired by the Chief Constable.</p> <p>Suggest action is closed at this board.</p>
	152	JAC Annual Review/Annual Report (draft) - Members and Officers to provide Chair Joint Audit Committee with any feedback ahead of July Joint Audit Committee meeting.	ASAP	Director of Finance and Resources	<p>20/06/21 – DFR submitted feedback for both reports.</p> <p>04/08/2021 – As no action plan around JAC evaluation - action to remain open.</p> <p>06/10/2021 – DFR has produced a draft action plan which will be circulated to CFO and CX for comment.</p> <p>18/11/21 – The draft action plan has been sent to CFO and CE and will be forwarded to the Joint Audit Committee Chair Rachel Barber.</p> <p>Recommend action closed.</p>
04/08/21	7	Risk Update - Director of Finance and Resources to prepare briefing paper for Joint Audit members on project risks.	ASAP	Director of Finance and Resources	<p>29/09/21 - Following a request at the last meeting by JAC Member Sarah Davies to discuss outside of the main JAC meeting our risk management processes, and in particular how project risks are escalated for recording onto the Force Risk Register, I can confirm that an online meeting was recently held with the Risk and Business Continuity Lead, Head of Business Intelligence and JAC Member Sarah Davies.</p> <p>06/10/2021 – JAC Governance Lead to meet off-line with Head of Business Intelligence to discuss project risks and any other issues as they arise and report back to Joint Audit Committee.</p> <p>05.11.2021 - Meeting held with JAC member. Officers delivered a presentation on the management of Project Risks, how they are escalated to the Force Risk Register, recorded and progressed both at Portfolio Management Office Level and Strategically managed on the Force Risk</p>

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
					Register. JAC Member asked some excellent questions which those in attendance were able to answer. All parties found JAC member extremely supportive of work in progress and would like to thank her for the time she made available to attend the meeting. Recommend action closed.
06/10/2021	1	Action Points - Personal Assistant to update table to show actual dates and single person responsible for actions and clarity of the action/description.	01/12/2021	Personal Assistant	Action Log updated to reflect. Recommend action closed.
06/10/2021	2	Organisational Update - Chief Executive to send the new Police and Crime Plan to Joint Audit Committee members once published.	01/12/2021	Chief Executive	13/10/2021 - Document shared with JAC members. Recommend action closed.
06/10/2021	3	Organisational Update - Chief Executive to update Joint Audit Committee members on the Communication Strategy going forwards.	01/12/2021	Chief Executive	Following an internal review a decision has been made to end our contract with an external PR/Media consultancy. We are currently recruiting for a Head of Communications and Engagement who will be tasked with revising our current communications strategy.
06/10/2021	4	Organisational Update - Director of Finance and Resources to organise off-line meetings to discuss the National Enabling Programme with JAC IT Lead.	08/12/2021	Director of Finance and Resources	18/11/21 – Two briefing sessions have taken place with Julie Perkins and a further meeting is scheduled for 19/11/21 with Julie Perkins, Andy Lohman and Kerrie Ambrose. Recommend action closed.
06/10/2021	5	Organisational Update - Chief Finance Officer to circulate paper presented to Strategic Executive Board around the effectiveness of Governance Arrangements to Joint Audit Committee members.	08/12/2021	Chief Finance Officer	12/11/21 – paper shared with Joint Audit Members. Recommend action closed.
06/10/2021	6	Internal Audit - Finance and Budgets Officer to update table of Seized Property ahead of December Joint Audit Committee meeting to show progress	08/12/2021	Finance and Budgets Officer	03/11/2021 – Finance and Budget Officer has updated the table within the current JAC report (December) with September and October 2021 items; previous report did not show September items due to report being submitted for translation prior to 30/09/2021.

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
		made in reducing number of items checked out.			The Seized Property Manager runs her KPI report on the 1 st of every month and submits the report to her Line Manager. Recommend action closed.
06/10/2021	7	Internal Audit - Finance and Budgets Officer to consider how the table can be displayed going forward with additional information shown to provide assurance that robust processes are in place to monitor.	08/12/2021	Finance and Budgets Officer	03/11/2021 – Finance and Budgets Officer has given a breakdown of the items booked out to officers and a breakdown of captor spray issued to officers – section 5, page 4 of the December JAC report. Recommend action closed.
06/10/2021	8	Risk Update - Head of Business Intelligence to provide further detail on assurance mapping within paper to next meeting.	08/12/2021	Head of Business Intelligence	21/10/2021 - Assurance Mapping will be included in the Open Session Risk Report compiled by Risk and Business Continuity Lead for JAC 08/12/21. Recommend action closed.
06/10/2021	9	Risk Update - Head of Business Intelligence to share Covid-19 Gold Group Pandemic Framework and changes to business continuity plans with Joint Audit Committee members for information.	01/12/2021	Head of Business Intelligence	21/10/2021 NWP Pandemic Framework shared with JAC members. In relation to Business Continuity, the Assurance Board has agreed a comprehensive schedule of testing and exercising which will be kept under review to ensure it remains proportionate to the force's needs.
06/10/2021	10	Work Programme for 2021/22 - Director of Finance & Chief Finance Officer to consider how best to include Joint Audit Members in the Internal Audit procurement process.	01/12/2021	Chief Finance Officer	12/11/21 CFO has made contact with counterparts across Wales and is liaising with JAC chair to facilitate this. 18/11/21 – CFOs discussed JAC involvement. Two were nominated from the JAC committee to oversee the process of internal audits. JAC members will be one scorer in the eventual evaluation. The procurement process to progress. Recommend action closed.
06/10/2021	11	Work Programme for 2021/22 - Chief Finance Officer to provide Joint Audit members with a copy of the Financial Report which is to be prepared for the Police and Crime Panel in January.	29/1/2022	Chief Finance Officer	12/11/21 This paper will be prepared mid-January.
06/10/2021	12	Assurance Update; Assurance from High-Level Meetings – Joint Governance Board - Chief Finance Officer to circulate	01/12/2021	Chief Finance Officer	12/11/21 – paper has been shared with JAC Members. Recommend action closed.

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
		Governance and Efficiency Review paper to Joint Audit Committee members for information.			
06/10/2021	13	Collaboration Review - Chief Finance Officer to include Collaboration Deep Dive within the Work Programme.	01/12/2021	Chief Finance Officer	12/11/21 –This has been included within the Work Programme. Recommend action closed.

Closed actions since last meeting – Archived March 2021 – previously closed available on request

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
	91b	Internal Audit - Force Management Statements to be placed on the Joint Governance board and the July Joint Audit Committee Agenda	By July Meeting	Director of Finance and Resources	<p>02/06/2020 There is no obligation to produce the Force management Statement during 2020/21. The document however will be reviewed and produced for the March 2021 meeting.</p> <p>30/07/2020 CFO to update work programme to reflect change from December 2020 to March 2021.</p> <p>12.02.21 – Action re-opened to monitor progress.</p> <p>12.02.21 – Timelines mean that the draft FMS will be completed post March meeting. Update to be provided with the FMS to feature in New Committee Member inductions, July JAC Agenda or both. Head of Strategic Planning Unit to update on progress prior to March meeting.</p> <p>01.03.2021 - As part of the planning process leading to budget setting, every area in the force completed a Business Plan articulating their understanding of current and future demand, capacity and capability readiness.</p> <p>These plans along with the outcomes of decisions taken at budget setting will form our FMS submission this year. In addition a gap analysis has been undertaken to allow us to track the impact of our resourcing decisions. Statistical forecasting of key demand trends has been completed to inform organisational planning.</p> <p>Nearly all departments report a rising trend of demand and although aspects have been suppressed by COVID others have accelerated beyond our original projections.</p> <p>We are currently completing more detailed analysis on the impact of the pandemic on police demand which will form part of the finalised document. The deadline for submission to HMICFRS is May 31st 2021.</p> <p>30/03/2021 – Work continuing to be progressed and Joint Audit Committee to have sight of Force Management Statement when completed.</p> <p>21/05/21 - To be circulated before and separately from meeting papers.</p> <p>23/06/21 – The FMS is an ‘Official Sensitive’ document with the majority of that content included within the Business Plans. The</p>

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
					proposal is to circulate the Executive Summary to JAC members, provide an overview at the August JAC meeting with a view to then providing more specific and targeted briefings as required. 04/08/2021 – Officers confirmed that this document as has always held the 'Official Sensitive' mark. JAC members suggest action closed.
	102b	Internal Audit Overview - Director of Finance and Resources to respond to JAC relating to the reason for due date revisions and how a GDPR issue relating to sensitive data stored on network drives would be addressed through NEP and migration to a Cloud environment	Immediate	Director of Finance and Resources	<p>17/09/20 DFR emailed JAC Risk Lead 31/07/20 with reasons for due date revisions highlighted. The need to ensure due dates on TIAA recommendations are scrutinised as being reasonable & realistic prior to agreement has been stressed to those undertaking audits by the DFR and HoF.</p> <p>DFR emailed JAC Risk Lead 31/07/20 re. GDPR: <i>"To mitigate the GDPR issue referred to ultimately any solution would need to ensure that only GDPR compliant data is migrated to the Cloud (where it then needs managing in a structured way) and also that any data that isn't migrated needs appropriately managing..."</i></p> <p><i>Resourcing the work stream either via the NEP project team or via a separate work stream is currently being discussed with a business case in progress."</i></p> <p>05.10.2020 – JAC member questioned how moving non-compliant data onto the cloud would assist in mitigating risk and leave the Force with non-compliant data on drive. Director of Finance and Resources stated compliance data being migrated onto the Cloud but also looking at legacy issues to look into issue further. Director Finance and Resources to look into matter further and update Joint Audit Committee.</p> <p>20.11.2020 – Further update regarding approach emailed by DFR to JAC Risk lead.</p> <p>10.12.2020 – e-mail sent to JAC Risk lead on mitigating risk. Member/Director of Finance and Resources to agree what assurance will close this action.</p>

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
					<p>09/02/2021 DFR & JAC Risk lead briefly discussed email dated 10/12/20. NEP plans for data migration to provide the necessary assurance required to close action.</p> <p>30/03/2021 – Plans for the NEP roll-out have been developed. Next step is to send Data Migration to Joint Audit member for information.</p> <p>21/05/21 – Briefing to be circulated to John Cunliffe and copy to Chair. NEP incorporated into work programme.</p> <p>23/06/21 – Briefing email sent along with underpinning documents. NEP to feature as a ‘deep dive’ on the August JAC Agenda.</p> <p>JAC Members recommend action closed.</p>
	105a	Assurance Board - Head of Business Intelligence to bring schedule of Table Top testing to next Joint Audit Committee meeting.	October meeting	Head of Business Intelligence	<p>We recognise this is an important aspect of our assurance work, and will be seeking to focus on it in meaningful sense once there is capacity to do so having dealt with the pressing BC issues of learning the lessons from COVID. Processes are in place with business continuity single points of contact for ongoing table top exercises, and annual Force level exercise, but there is not currently a formal/detailed schedule in place.</p> <p>A full testing schedule will form part of our response but we need to give it proper consideration before providing an update to Joint Audit Committee. I will aim for a fuller update at the next Committee meeting detailing current and planned testing schedules.</p> <p>05.10.2020 - Unprecedented year and many have been tested in real time. Another review at the beginning of next year. Fuller update to be provided at December 2020 meeting.</p> <p>12/11/20 There are two business continuity tests scheduled since the last JAC meeting.</p> <ul style="list-style-type: none"> • 10/11/20 North Wales Local Resilience Forum Cyber Exercise – postponed due to technical difficulties, to be rearranged late November/early December 2020 • 17/12/20 – EU Exit business continuity exercise. An updated version of the EU Exit exercise previously run on 09/10/20 • A business continuity options paper has been prepared for the Covid 19 Recovery tactical group 13/10/20 to consider the extension of bespoke business continuity plans to all areas including low risk areas. This will inform the scale of the

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
					<p>business continuity work to be undertaken. It will also inform the testing schedule for 2021 which will be produced as part of the work.</p> <p>In light of capacity issues within the assurance team, an additional temporary member of staff soon to be available from Operational Planning has been agreed to assist on a temporary basis with business continuity work.</p> <p>11.01.2020 – Chair and T/Superintendent Corporate Services to discuss action.</p> <p>03.03.2021 Please see attached paper (Appendix A).</p> <p>Recommend action closed.</p>
	139a	Work Programme - Chief Finance Officer to arrange a workshop to discuss risk and how static risks could be better incorporated into the meeting agenda.	ASAP	Chief Finance Officer	<p>Director of Finance and Resources/Chief Finance Officer have discussed and PA to DFR to arrange workshop in late January/early February. Head of Business Intelligence/T/Superintendent Corporate Services to discuss with JAC Risk Lead and how this fits into the programme. Further discussion needed as new JAC member may be JAC Risk Lead.</p> <p>03.03.2021 - Chief Finance Officer to arrange a workshop to discuss risk and how static risks could be better incorporated into the meeting agenda. – Following discussion with John Cunliffe it was agreed that alongside the Risk Appetite Annual Review, the Force would also undertake an annual review of the Risk Register as well as risks closed in the previous 12 months. This was undertaken at the Senior Leadership Team meeting 23 February 2021, and consideration given to risks that may need ongoing review despite being closed. There is also a route to maintain oversight of static risks through the risk mapping process. Both of these would report periodically into Joint Audit Committee through the regular risk report when relevant to update on any changes to static/long term risks.</p> <p>21/05/21 – Officers will have regular update with JAC Risk Lead.</p> <p>Recommend action closed.</p>
30/03/2021	144	Organisational Update - Director of Finance and Resources to prepare a high level strategic note on the outcome of visioning day held in January 2021.	Asap	Director of Finance and Resources	<p>Director of Finance and Resources will circulate to all.</p> <p>24/06/21 – Visioning day document circulated to JAC members.</p> <p>Recommend action closed.</p>

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
	145a	HMIC Update - T/Chief Superintendent Corporate Services to ensure that further detail is provided within the update paper for Joint Audit Committee meeting in July 2021.	July 2021	T/Chief Superintendent Corporate Services	Take into account when preparing paper for July meeting. Recommend action closed.
	146a	Internal Audit - Director of Finance and Resources to ensure ownership of outstanding actions is reflected within future papers.	July 2021	Director of Finance and Resources	When limited assurance given in audit report, relevant manager to attend Joint Audit Committee. 23/06/21 – DFR & Budget monitoring to reflect in Aug21 Internal Audit report. Recommend action closed.
	146b	Internal Audit - Director of Finance and Resources to discuss missed deadlines for management responses on outstanding recommendations with team.	ASAP	Director of Finance and Resources	When limited assurance given in audit report, relevant manager to attend Joint Audit Committee. 23/06/21 – DFR & Budget monitoring to reflect in Aug21 Internal Audit report. Recommend action closed
	146c	Internal Audit – Internal Audit to provide evidence of achievements during the financial year.	July 2021	Internal Audit	We will try to ensure that our reports provide a balanced overview of work completed and achievements while adhering to best practice and relevant standards. Recommend action closed.
	147	Risk Update - Head of Business Intelligence to provide Joint Audit Committee with timescales of when future papers showing a more risk based approach to assurance mapping will be brought to the meeting for their consideration.	July 2021	Head of Business Intelligence	Head of Business Intelligence to ensure included within next paper. Recommend action closed.
	148a	Work Programme - Director Finance and Resources/Chief Finance Officer to update work programme ahead of July 2021 meeting.	July 2021	Director of Finance and Resources/Chief Finance Officer	Work programme updated. Recommend action closed.
	148b	Work Programme - Director Finance and Resources/Chief Finance Officer to consider how best to include the NEP and Digital transformation work within the Joint Audit Committee's work programme.	Ahead of July 2021 meeting	Director of Finance and Resources/Chief Finance Officer	21/05/21 Initial response has been to factor NEP as the risk deep dive for Jul21 JAC. 24/06/21 Proposal would be to provide an overview of the Digital Transformation Programme as part of a future risk deep dive with a view to providing assurance around the elements explored to date and the governance surrounding the remaining elements of the programme.

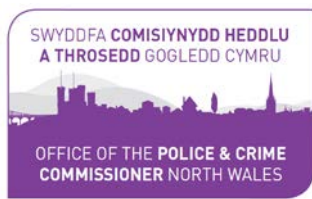
MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
					04/08/2021 –Update work programme to reflect Digital Transformation. Recommend action closed.
	149a	Capital Strategy - Head of Finance to provide further clarity on figures within document and distribute to Joint Audit Members for information.	Asap	Head of Finance	05/07/21 The Head of Finance's understanding of the question in the meeting was that it was around the causes of the slippages in the Capital Programme that fed into the future Programme. These were addressed as part of the end of year reports and discussed in detail at the Accounts Technical Meeting on the 25 th of June. Recommend action closed. (In the event that the question has not been answered request that a new action raised with clarity on the question).
	149b	Capital Strategy - Chief Finance Officer to place the Capital Programme on the work programme for further discussion.	July 2021	Chief Finance Officer	On July agenda as deep dive Recommend action closed.
	149c	Capital Strategy - Director Finance and Resources/Chief Finance Officer to ensure Treasury Management and Capital Strategy are included within the Joint Audit development day.	June 2021	Director of Finance and Resources/Chief Finance Officer	On development day agenda. Recommend action closed.
	150	Financial Management Code - Head of Finance to update any outstanding actions ahead of October Joint Audit Committee meeting.	October 2021	Head of Finance	No specific actions were set out in the FM Code Compliance report, however 4 areas for development were highlighted. These in the main are areas for continuous development and are governed under other Boards or Management. The 4 areas highlighted are Review of Planning Cycle – complete and dates set out for the next 6 months. Regional and National Collaboration – costs continue to be challenged and under stood, but still an area of concern as a budget pressure. Developing BC and early engagement with Procurement – this has improved and will be further enhanced with the appointment of a Business Benefits Realisation Officer in the PMO. Benchmarking Data – Engaging Regionally and Nationally to influence data collection to try and get meaningful BM data.

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
					Suggest action is closed and update given as part of FM Code reporting. There is no specific end date to these as they are areas of continuous improvement/development. Recommend action closed.
	154	Annual Statement Of Accounts – Outlook - Slides presented by Head of Finance to be circulated to members for information.	Immediately	Director of Finance and Resources	Slides circulated. Recommend action closed.
	145b	HMIC Update - Chief Finance officer to update Work Programme to include HMICFRS Value for Money report at the July Joint Audit Committee meeting.	July 2021	Chief Finance Officer	Deferred until October JAC Meeting. 14/09/21 – On agenda for Oct21 Recommend Action Closed.
04/08/21	1	Organisation Update - Director of Finance and Resources to include an update on the change programme within the Organisational Update paper to Joint Audit Committee.	October Meeting	Director of Finance and Resources	14/09/21 – DFR to reflect brief update in report for Oct meeting. 06/10/2021 Update Report shared with JAC members, Recommend Action Closed.
04/08/21	2	Limited Assurance Audits – H&S Management - Meeting to be organised between Chief Executive/Director of Finance and Resources/Head of Facilities as to how the OPCC could best scrutinise the Health and Safety work being undertaken within North Wales Police.	ASAP	Chief Executive/Director of Finance and Resources/Head of Facilities	14/09/21 – Meeting between parties arranged to discuss OPCC role. 28/09/2021 – <ul style="list-style-type: none"> CFO attends the quarterly H&S Board, receiving a routine invite and updating the CE and OPCC as required and ToR amended to reflect this addition. Joint Health & Safety briefing to CC & PCC to be arranged. Recommend Action Closed
04/08/21	3	Limited Assurance Audits – H&S Management - Director Finance and Resources to discuss inclusion of Health and Safety on the Internal Audit work programme and be included on future Joint Audit Committee agenda.	Immediate	Director Finance and Resources	14/09/21 – Action response outlined / included in Internal Audit report for Oct21 board. Recommend Action Closed
04/08/21	4	Limited Assurance Audits – Seized Property - Director Finance and Resources to raise at Chief Officer level that further engagement is needed with	Immediate	Director of Finance and Resources	14/09/21 – Action response outlined / included in Internal Audit report for Oct21 board. Recommend Action Closed.

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE
		officers to ensure compliance with seized property process.			
04/08/21	5	Internal Audit SICA - Director Finance and Resources/Internal Audit to consider revising the Q3 & Q4 to include issues raised within the meeting.	Immediate	Director Finance and Resources/Internal Audit	14/09/21 – Action response outlined / included in Internal Audit report for Oct21 board. Recommend Action Closed.
04/08/21	6	Risk Update - Force Solicitor/Governance and Policy Officer/Director of Finance and Resources to discuss whether civil claims should be placed on the corporate risk register.	ASAP	Force Solicitor /Governance and Policy Officer / Director of Finance and Resources	14/09/21 – DFR, Force Solicitor & Risk Lead met on 01/09/21 to assess the risk. Current level and Target level risk both assessed as 'Medium'. Hence, risk will be managed at F&R SMT level rather than Force level risk register. Recommend Action Closed .
04/08/21	8	Work Programme for 2020/21 - Chair and officers to discuss the Deep Dive session items at next agenda setting meeting.	Immediate	Chair and Officers	05/08/21 – Risk deep dives discussed at agenda setting with provisional areas of focus identified. 14/09/21 – H&S Risk deep dive identified as the area of focus for Oct meeting, with work programme amended to reflect provisional suggested programme. Recommend Action Closed.
04/08/21	9	Finance – Update on Statement of Accounts - Director of Finance and Resources to provide Joint Audit Finance lead with summary of issues identified within the Technical Briefing session.	ASAP	Director of Finance and Resources	14/09/21 – DFR sent completed action log to JAC Finance lead on 13/08/21. Recommend Action Closed.
04/08/21	10	Review of JAC Terms of Reference - Chief Finance Officer to send document which highlights the changes made to the Terms of Reference to Joint Audit Committee.	Immediate	Chief Finance Officer	Document shared with Joint Audit Members. Recommend action closed.
04/08/21	11	Deep Dive on Capital Programme - Director Finance and Resources to consider the need for a business case for the replacement programme.	ASAP	Director of Finance and Resources	14/09/21 – DFR discussed with HoF. Current position is that routine like for like replacements do not require a formal business case. Business changes of significance do require a business case or supporting paper. Recommend Action Closed.

Abbreviation Key

CC	Chief Constable
CEO	Chief Executive Officer (OPCC)
CFO	Chief Finance Officer (OPCC)
DFR	Director of Finance and Resources (NWP)
Head of Finance	Guto Edwards
Head of Procurement	Patricia Strong
HMICFRS	Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services
JAC	Joint Audit Committee
NWP	North Wales Police
OPCC	Office of the Police and Crime Commissioner
PA	Personal Assistant to CEO and CFO
PCC	Police and Crime Commissioner
PSD	Professional Standards Department (NWP)
TIAA	Internal Audit
WAO	Wales Audit Office



Joint Audit Committee 08.12.21

OPCC Organisational Update

1. Updates

The previous meeting of the Joint Audit Committee (JAC) was held on 6th October 2021. This report will provide an update to the JAC on OPCC matters of note since then.

2. Safer Streets 3

The Committee will recall from previous updates our success in securing funding through Safer Streets 1 and 2. We are therefore delighted to have once again been successful in securing £339,000 through Safer Streets 3. This round of funding was specifically targeted at keeping women and girls safe. The new Safer Streets initiative will include improving CCTV coverage, creating safer spaces for women and girls as well as providing training and education. This brings the total funding secured to £1.3m

3. Safety of Women at Night (SWaN) Fund 2020/21

In addition to Safer Streets 3, we have also been successful in securing £202,703 through the SWaN fund aimed at safety of women at night. The funding has been allocated to Wrexham and Flintshire and will run alongside Safer Streets 3 funding as above.

The Internal Audit of the OPCC commissioning process was recently completed and we are awaiting the final report.

4. POLICE AND CRIME PLAN

Following the unanimous support of the Police and Crime Panel, the Commissioner's Police and Crime Plan has now been published and can be found [here](#). The strategic priorities are as follows;

DELIVERING SAFER NEIGHBOURHOODS

- Tackle and prevent rural and wildlife crime
- Improve the efficiency and effectiveness of police officers and police staff
- Improve Road safety

SUPPORTING VICTIMS AND COMMUNITIES

- Tackle and prevent domestic abuse and sexual violence
- Safeguard vulnerable people including children
- Tackle and prevent cybercrime
- Establish a victims panel
- Tackle and prevent Hate Crime

FAIR AND EFFECTIVE CRIMINAL JUSTICE SYSTEM

- Introduce a North Wales Female Offender Strategy
- Increase the use of Restorative Justice
- Support and protect children and young people and divert them away from the Criminal Justice System
- Address the root causes of offending and support the rehabilitation of people who have offended

5. HEAD OF COMMUNICATIONS AND ENGAGEMENT

For many years the OPCC have commissioned a local consultancy firm to provide PR and media support. Following an internal review a decision has been made to end this contract in January 2022. A new post of Head of Communications and Engagement has been created and is currently being advertised on our website [here](#).

Report Author:	Stephen Hughes, Chief Executive
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Joint Audit Committee

Meeting Date: 08th December 2021

Title:	Organisational Update – North Wales Police
Author:	Seb Phillips, Director of Finance & Resources
Purpose of the report:	To provide the Joint Audit Committee with an overview of key organisational events and issues taking place since the last JAC meeting.
The report is provided to JAC for: (tick one)	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Assurance <input checked="" type="checkbox"/> Information
Summary / Key Points:	<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 10.09.21 to 26.11.21.</p> <p>The issues and events are analysed between the four categories of Finance; People, Learning & Innovation; Operational and Public / Community.</p> <p>The report now incorporates a brief update in relation to HMICFRS inspections to streamline JAC reporting.</p>
Recommendations:	For members of the Joint Audit Committee to note the Director of Finance & Resources' report.
Risk Register Impact:	None.
Assurance Implications:	None.
Equality Impact:	None.
Information Exempt from Disclosure:	None - All content in Open Session

JOINT AUDIT COMMITTEE

8th December 2021

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 10.09.21 to 26.11.21.

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

2. Finance

- The Statement of Accounts for 2020-21 have now been approved and published.
- The Chancellor announced the high-level conclusions from the 2021 Spending review on 27.10.21. With regard to policing the announcement included:
 - Three-year budgets for police forces, with total increases to government grant of £550m in 2022/23, £650m in 2023/24, and £800m in 2024/25.
 - Funding to complete the national recruitment to 20,000 officers included within the figures above.
 - Police and Crime Commissioners in England retaining flexibility to increase their precept income by £10 annually although this capping of precept not applying to Welsh forces in the same way.
- It is unclear as to the extent that forces are expected to fund the Health and social care levy implications from the funding announced. However, NWP's strategic planning has been progressed in line with the SR21 announcement with confirmation of the detailed position anticipated from the government by mid to late December.
- Inflationary pressure remains a concern with CPI for October increasing to 4.2% and RPI up to 6.0%. The implications for the current FY and the longer term planning round are being monitored and considered respectively.
- P6 financial figures were reported to the Nov21 Strategic Executive Board and the projected revenue spends were circa £1.0m / 0.6% under budget. The capital programme continues to be an area of focus with full year forecasts still projecting a significant underspend for a variety of reasons.

3. People, Learning & Innovation

- Uplift recruitment has continued to progress with recruitment of the second tranche of officers completed and work underway regarding the third tranche to be funded in FY22-23
- After the Welsh Government's announcement of funding for 100 PCSOs NWP has progressed recruitment for its 20 PCSO allocation. A public consultation has been undertaken to ensure that these additional roles are utilised in the most effective way.
- A workgroup has been created, led by the Head of POD to focus on 'difficult to fill' roles within the force. This is due to the challenges being faced when recruiting to particular technically specialised police staff roles.
- Key areas of progress on the change programmes are:
 - Following the national NEP NPRINT accreditation, the ongoing roll out of NEP across the organisation.

- A business case relating to Mobile Phone device refresh being approved by Chief Officers and now being subject to OPCC approval.
- The 'Mobile App' work stream progressing through the tender process with the aim of preparing a business case and identifying the preferred vendor by the end of the calendar year.
- A feasibility study being undertaken on Robotic Process Automation by external consultants. Next steps will be to develop the business case to move this forwards.
- The critical Command & Control upgrade and ICT Target Operating Model work streams continuing to progress under their respective governance structures.

4. Operational

- Since the last JAC report Wales has remained at alert level 0 with NWP deeming it appropriate to retain its precautionary measures.
- After a slight upturn over September, abstractions due to Covid-19 reduced to a slightly lower level over October and early November before showing most recently increasing.
- NWP has now progressed its own flu vaccination programme for its eligible staff, in order to protect service delivery over the winter months.
- Operational highlights at the recent Strategic Executive Board included:
 - Recorded crime has displayed the trend of a long term increase. This is due to recent exceptionally high levels witnessed over summer. It is worth noting that given the impact of COVID-19, performance data continues to be contextualised by prior year and 2019 (pre Covid) data.
 - An ongoing focus on outcome rates and understanding the key factors driving any underlying trends. The current data shows a strong position nationally for NWP on outcome 1 – 8 levels albeit a long term downward trend for the Force.
 - VAWG being a specific area of focus with T/Ch Supt Devonport outlining the various work streams brought together under his leadership.
- VAWG is also the primary topic for an upcoming Strategic Leadership Forum which will involve the wider organisational management team.
- The force is currently working towards its next PEEL inspection which will result in a 3 week inspection in June 2022. HMICFRS will not be considering the force's outstanding recommendations (from PEEL 2018) until this inspection takes place.
- The HMICFRS custody inspection has been recently undertaken with the final report anticipated.

5. Public / Community

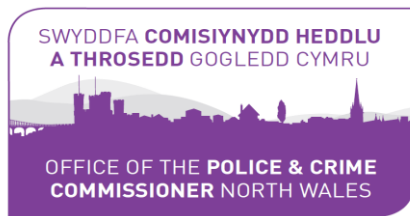
- Given its approval in Sept21 the PCC's crime plan is being incorporated into the Force delivery plan to ensure that all priorities are appropriately reflected.
- Engagement has taken place regarding the best utilisation of PCSOs within North Wales following their funding and recruitment.
- Subject to the force finalising its financial planning proposals a Council Tax Precept Survey will take place via the OPCC.

6. Recommendations

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

Joint Audit Committee
Meeting Date: 8th December 2021

Title:	Internal Control Report
Author:	Anne Matthews, Finance & Budget Officer Seb Phillips, Director of Finance & Resources
Purpose of the report:	To provide the Joint Audit Committee with an overview of Internal Control activity within the Force
The report is provided to JAC for: (tick one)	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Information
Summary / Key Points:	<p>The report focusses on key Internal control activity regarding:</p> <ul style="list-style-type: none"> • Recommendation status from previous TIAA Audits • Management response regarding Client Briefing Notes (CBNs) and Fraud Alerts including those issued in the period • TIAA audits issued in the period • Summary of actions taken in respect of limited audits • The final 2021-22 Internal Audit Plan • Internal Audit Action Updates regarding 06/10/2021 JAC Actions • Summary <p>The first 6 pages of the report provide an overview with the following 7 pages providing supplementary information via Appendices, should it be required.</p> <p>Particular emphasis in the report is focussed on the implementation of the recommendations raised in the recent Limited assurance audits.</p>
Recommendations:	None
Risk Register Impact:	TIAA control findings, Client Briefing Notes and Fraud Alerts have been considered for reflection on the Force Risk Register.
Assurance Implications:	This report is directly relevant to Internal Control Activity providing Assurance in North Wales Police.
Equality Impact:	None
Information Exempt from Disclosure:	N/A – All content in Open Session



**HEDDLU
GOGLEDD CYMRU
NORTH WALES
POLICE**

JOINT AUDIT COMMITTEE

INTERNAL CONTROL REPORT – 8TH December 2021

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

1. INTRODUCTION

The purpose of this report is to provide an update on the Internal Control Activity undertaken since the last Joint Audit Committee and is based on information received and recorded by 15/11/2021. The aim is to supplement the TIAA papers received by JAC with a view to providing additional assurance.

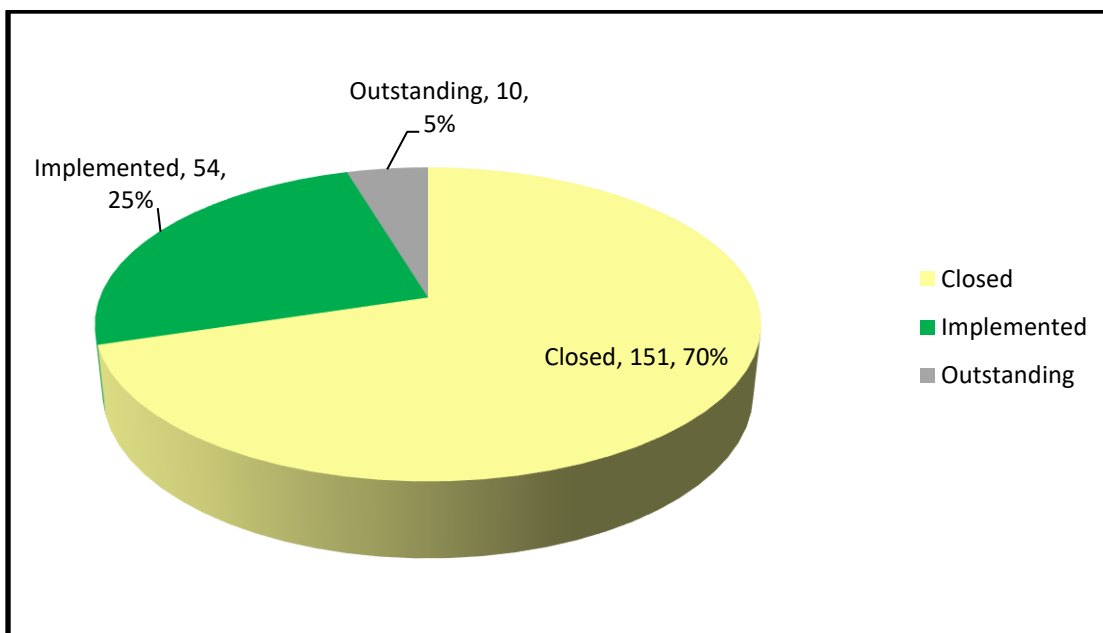
It is anticipated that further activity may have been undertaken by the JAC December meeting itself, which will be verbally updated on exception at the meeting.

The report focusses on key Internal control activity regarding:

- Recommendation status from previous TIAA Audits
- Management response regarding Client Briefing Notes (CBNs) and Fraud Alerts including those issued in the period
- TIAA audits issued in the period
- Summary of actions taken in respect of limited audits
- The final 2021-22 Internal Audit Plan
- Internal Audit Action Updates regarding 06/10/2021 JAC Actions
- Summary

2. RECOMMENDATION STATUS OF TIAA AUDITS

The position on 2021/2022 Internal Audit recommendations as at 15/11/2021 is outlined below, with the number of outstanding recommendations climbing from the levels seen in previous reports driven by the number of audits recently completed:



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

- No new recommendations received during this period.
- 10 (existing) recommendations implemented.
- Summary of 10 recommendations that have been implemented since October meeting detailed below:

Priority	ID	Audit	Rec Status	08/12/2021
1	251995	20/21 Property Subject to Charge	Existing	1
	252193	21/22 Health and Safety Management	Existing	1
2	242655	Collaborative Review - Single Online Home	Existing	1
	244459	Governance - Corporate Communications	Existing	1
	251998	20/21 Property Subject to Charge	Existing	1
	252195	21/22 Health and Safety Management	Existing	1
3	252006	20/21 Property Subject to Charge	Existing	1
	252117	21/22 Western Area - Command Unit	Existing	1
	252118	21/22 Western Area - Command Unit	Existing	1
	252197	21/22 Health and Safety Management	Existing	1
Grand Total				10

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

The **accumulative** total of 54 implemented recommendations since TIAA's follow up audit in February 2021 as at 15/11/2021 is outlined below:

Status Summary - Implemented	Category	No
Implemented on or before original due date	Cat 1	36
Implemented on or before 1st revised due date	Cat 2	5
Implemented on or before 2nd revised due date	Cat 3	0
Implemented on or before 3rd revised due date	Cat 4	1
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	12
		54

Analysis of the 10 outstanding recommendations as at 15/11/2021 is also outlined below:

Status Summary - Outstanding Recommendations	Category	No
No of Recommendations - still on original due date	Cat 1	7
No of Recommendations - 1st revised due date	Cat 2	2
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	0
No of Recommendations - 5th revised due date	Cat 6	0
No of Recommendations - Overdue	Cat 7	0
		10

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 10 outstanding recommendations and how they tally to each audit is provided on Appendix 1.

The latest position and update regarding the 10 outstanding recommendations is included in Appendix 2. This includes the Responsible Officer for each outstanding action with roles, rather than individual names included in the report.

3. MANAGEMENT RESPONSE REGARDING CLIENT BRIEFING NOTES (CBNs) & FRAUD ALERTS INCLUDING THOSE ISSUED IN THE PERIOD

Current status of CBNs and Fraud Alerts is shown below:

Type	No rec'd	Action Required	Open Actions
CBNs - 19016 to 21042	40	0	0
Fraud Alerts	16	0	0

CBNs and Fraud Alerts received during the period were reviewed and progressed by the management team. There were four CBNs but no fraud alerts issued in the period 06/09/2021 to 10/11/2021.

- CBN-21030 – Action Required – VMWare Vulnerabilities - circulated for comment, response received from Head of ICT who had contacted 6DG/CNS via a security incident ticket. Confirmation received from 6DG/CNS on 28/10/2021 that NWP were not at risk.
- CBN-21035 for information only – NCSC Launches Scam Website Reporting Service - circulated and closed.
- CBN-21039 - for information only - UK Finance Confirm Losses Rise by 30% - circulated and closed.
- CBN-21041 – For Possible Action – Sarah Everard Murder: MP calls for further measures on Police Vetting - circulated for comment, response received from C/Supt advising that he had carried out a review on PSD procedures and has submitted a status report to the Deputy Chief Constable. Note – the action to be taken is subject of force and national consideration; NWP are fully compliant with APP and Codes of Practice.
- CBN-21042 – Action Required – information only – Fraudulent Emails and Purchase Orders – circulated and closed.

4. TIAA AUDITS ISSUED IN THE PERIOD

Two TIAA audit was issued in the period 09/09/2021 to 12/11/2021 both of which were graded Substantial; further details of these audits and the associated findings are reflected in the TIAA SICA report.

5. UPDATE ON TWO LIMITED ASSURANCE AUDITS

Property Subject to Charge (PSTC) – Limited Assurance – Risk 75

All 3 outstanding recommendations have been updated to implemented and will be followed up by TIAA in February 2022.

- 1 urgent recommendation (priority level1)
 - All items up to and including May 2021 have been reviewed and furthermore the Seized Property Manager has also instigated new procedures to her team in respect of property in transit stores, a copy of which will be forwarded to the auditor. The remainder of the items are considered current.
 - The Seized Property Manager submits a monthly KPI report to her Line Manager on the 1st of the month detailing the movement in the previous month.

A baseline figure of 2000-2500 items checked out within a month is deemed acceptable, this was agreed by the Head of Finance following discussions which had taken place between the Risk and Business Continuity Lead, the Finance and Budget Officer and the Seized Property Manager. Items checked out are for valid reasons and are dependent on the number of court cases, ongoing enquiries and interviews. For information 1732 exhibits were checked out to officers in September and 2212 exhibits checked out in October.

Captor issues will always be around 1000+ mark as captor is issued to serving police officers for their protection and this figure is not included in the suggested 2000-2500 baseline figure.

During the month of October 2021 3634 items were added, 3703 items were disposed of and 1741 items were reviewed.

- Current status of items checked out to officer - 2977 items as at 31/10/2021; 1117 captor and 1860 items checked out to officers:

No of Exhibits checked out to Officers							
Year	Time of Audit	26/05/2021	30/06/2021	31/07/2021	31/08/2021	30/09/2021	31/10/2021
2009/10	75	0	0	0	0	0	
2010/11	27	0	0	0	0	0	
2013	24	2	1	1	1	0	
2014			2	2	1	0	
2015	85	10	6	6	7	12	1
2016	732	247	11	5	0	0	
2017	1009	836	37	15	5	40	25
2018	1092	857	303	53	38	35	20
2019	2633	2375	2245	1459	1153	1020	1039
2020	2592	2091	2016	1778	1374	525	420
2021	978	895	1060	1345	1451	1728	1472
Total	9247	7313	5681	4664	4030	3360	2977
Less Captor Sprays		-1080	-1046	-1074	-1078	-1091	-1117
Balance	9247	6233	4635	3590	2952	2269	1860

Checked out Items as @ 31/10/2021	
Out to Officer for Court/Enquiries/Interviews	743
Return to Owner	769
Forensic Testing	348
	1860

Captor checked out to Officers as @ 31/10/2021	
2019 Issues to Officers	934
2020 Issues to Officers	32
2021 Issues to Officers	151
	1117

The following recommendations have also been updated to implemented based on the publication of the "Need to Know" bulletin and ongoing input/communication detailed below.

- 1 important recommendation (priority level 2)
- 1 routine recommendations (priority level 3)

Ongoing input/communication:

- Eastern, Central and Western SMT meetings – continued attendance
- New Officer/PCSO Input sessions have continued since May where the audit recommendations are highlighted; this is proving beneficial and good feedback is being received from the officers/staff.
- Seized Property Manager has a section within the Input sessions dedicated to the importance of accurate/detailed recording of exhibits on both the A938 document and evidence bags to ensure they match.
- Seized property is disseminating required information to as many officers as possible through tasking/email updates; a further email was issued in September to All Officers/Staff as a reminder with regards to the importance of including as much detail as possible in their exhibit descriptions.
- It was decided that the most practicable response to the recommendations concerning property checked out to officer was to put together a "Need to Know" bulletin.
- 27/09/2021 – Need to Know bulletin circulated and published on the Force Intranet.
- **The Seized Property Manager submits a monthly KPI report to her Line Manager on the 1st of the month detailing the movement in the previous month.**

Health & Safety Management – Limited Assurance – Risk 76

The remaining 3 Health and Safety recommendations have been updated to implemented; these will be followed up by TIAA in February 2022 and monitored via Risk register.

- 1 urgent recommendation (priority level 1)
- 1 important recommendation (priority level 2)
- 1 routine recommendation (priority level 3)

The RIDDOR NTK was circulated and published on the Force intranet on 18/10/2021; Near Misses NTK circulated and published on 25/10/2021; Injury on Duty NTK circulated and published on 08/11/2021 and DSE circulated and published on 15/11/2021. For information once NTKs are circulated they are published on the Force Intranet and Health and Safety web site.

- 04/11/2021 – Advised by Federation that the Health and Safety update has been added to their website; they now have a section for Health & Safety on their Pay and Conditions page so that future updates can be published there.
- 21/10/2021 - Following discussions with the CC and PCC appointing a H&S Champion at CO level is being considered.
- 21/10/2021 – H&S presentation to the Chief Constable, Police and Crime Commissioner, DFR and other service leads, following which the CC agreed to do a video blog to raise awareness on Health, Safety and Health and Wellbeing with reference to the Auditor's report. This matter is being progressed by the HSM and the Force's corporate comms department. Target date for the video blog to be confirmed
- 18/10/2021 - HSM attends all IOSH Managing Safely Courses and gives an update on key H&S matters including those highlighted in the auditor's report
- 14/10/2021 - Confirmation received from Federation that the Health and Safety paper will be included in the December edition of the Federation magazine.
- 13/10/2021 – Confirmation received from Unison that the Health and Safety paper was included in Unison e-newsletter issued on 13/10/2021
- 04/10/2021 – "Health and Safety Update" email circulated to all staff detailing additional functions within the forms to assist with reporting and recording processes

Ongoing communication:

- Awareness of Risk presented to SMT's and other Strategic and Consultation Meetings to reinforce compliance.
- Health and Safety Manager will continue to attend and repeat key H&S messages at future SMT, staff consultation meetings.
- Support provided to all staff in completion and submission of RIDDOR Form.
- RIDDOR is covered during IOSH Managing Safely Courses.
- Email circulated to all LPS Supervisors regarding reporting of Injuries, Near Misses and DSE compliance.
- Regular feedback provided to Line Managers for DSE anomalies and within 7-10 days of submission.
- Health and Safety Manager will continue to provide progress reports to members of the Health and Safety Management Board.
- Health and Safety Manager to raise awareness on H&S Web site and continues to post key H&S information on the Force intranet, namely FY Llais and Weekly Orders
- Agreed with Assessor Training Supervisor that Health and Safety Manager will attend Leadership Courses for newly promoted Sergeants, Inspectors and equivalent Police Staff roles to highlight the importance/correct procedures re: issues raised in TIAA'S audit report.

Actions undertaken regularly:

- Increased monitoring by H&S Manager of RIDDOR reporting processes, including injury, near miss and DSE reports
- Near miss and injury forms are reviewed for completeness and actioned accordingly.
- DSE Forms are checked as soon as possible following submission via H&S portal by H&S Manager

An improvement is being seen as a result of the support of SMTs along with the Health and Safety Administrator monitoring work and challenging Line Managers when reports are not complete.

6. 2021-22 INTERNAL AUDIT PLAN

The 2021/22 internal audit plan has been finalised.

- 18 NWP Audits – originally 17 NWP audits were planned however, the OPCC have requested an additional audit on OPCC-Review of Complaints. 5 audits completed and reports finalised; 3 audits – fieldwork commenced; 10 audits – booked in.
- 10 Collaborative audits (4 Welsh Forces) – 4 audits completed and draft reports circulated for management comments; 4 audits – fieldwork commenced; 2 audits – booked in

7. INTERNAL AUDIT ACTION UPDATES STEMMING FROM 06/10/2021 JAC MEETING

There were two actions raised in relation to Internal Audit that stemmed from JAC on 06/10/2021.

AP6 - Internal Audit - Finance and Budgets Officer to update table of Seized Property ahead of December Joint Audit Committee meeting to show progress made in reducing number of items checked out.

03/11/2021 – Finance and Budget Officer has updated the table within the current JAC report (December) with September and October 2021 items; previous report did not show September items due to report being submitted for translation prior to 30/09/2021.

The Seized Property Manager runs her KPI report on the 1st of every month and submits the report to her Line Manager.

AP7 - Internal Audit - Finance and Budgets Officer to consider how the table can be displayed going forward with additional information shown to provide assurance that robust processes are in place to monitor.

Update: 03/11/2021 – Finance & Budget Officer has given a breakdown of the items booked out to officers and a breakdown of captor spray issued to officers - section 5, page 4 of the December JAC report.

8. SUMMARY

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

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

Appendix 1

No	ID	Service	Job	Year	Risk Area	Type	Recs monitored via	Linked to risk Register
001	244672	Internal Audit	Cyber Security	2019	Compliance Risk	Existing	Quarterly Joint Governance Board	60 Cyber risk
002	237156	ICT Audit	GDPR Compliance Audit PO No FN27625	2018	Operational Risk	Existing	Quarterly Joint Governance Board	72 Data Protection Compliance
003	249421	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	249422							
005	249423							
006	249424							
007	249425							
008	249426							
009	251509	Internal Audit	20/21 Fleet Management – Repairs	2020	Directed Risk	Existing	Quarterly Joint Governance Board; Quarterly Vehicle user group which reports into the quarterly Strategic Finance Resources Board meetings.	-
010	252116	Internal Audit	21/22 Western Area - Command Unit	2021	Directed Risk	Existing	Quarterly Joint Governance Board; Quarterly H & S meeting	-

Appendix 2 – Latest Management Response relating to Outstanding Recommendations

Overview

Priority Level	No	Responsible Officer	Original Due Date	Revised Due Date	No of Recs
2	001	NWP PMO Programme Management Office/NWP ICT	31/07/2021	31/03/2022	1
	003	Superintendent, SMT, Corporate Services	31/03/2022		1
	004	Superintendent, SMT, Corporate Services	31/03/2022		1
	005	Superintendent, SMT, Corporate Services	31/03/2022		1
	006	Superintendent, SMT, Corporate Services	31/03/2022	31/07/2022	1
	007	Superintendent, SMT, Corporate Services	30/09/2023		1
	010	Health & Safety Administrator	01/09/2021	31/12/2021	1
2 Total					7
3	002	Programme Manager, Corporate Programme Office	31/03/2020	31/03/2022	1
	008	Superintendent, SMT, Corporate Services	30/09/2022		1
	009	Fleet Manager	30/04/2022		1
3 Total					3
Grand Total					10

Latest updates

No	ID	Job	Recommendation	P r i o r i t y	Management Comments	Responsible Officer	Due Date	Revised Due Date	C a t e g o r y	Latest Response
001	244672	Cyber Security - Compliance Risk	The Microsoft Enterprise Mobility and Security suite available to North Wales Police through the National Enabling Programme be fully leveraged to improve cyber security.	2	EMS is clearly part of the overall NEP Programme, and NWP have no intention of deviating from the NEP Blueprint, except potentially in continuing to make use of the Lumension product initially, because of its reporting capabilities required by NWP IS&C. NWP PMO Programme Management Office will be managing the overall NEP programme, but a fully approved timetable as yet isn't clearly mapped out, other than those anticipated milestones identified within the Implementation Timetable column.	NWP PMO Programme Management Office/NWP ICT	31/07/2021	31/03/2022	2	<p>06/10/2021 – verbal update at JAC meeting confirming Pilot has been completed</p> <p>09/11/2021 – Update received from Programmed Manager</p> <p>No decision reached on this item yet. NWP are continuing to deploy the solution as per the NEP Blueprint and expect to continue using the Lumension solution at this time.</p>
002	237156	GDPR Compliance Audit PO No FN27625 - Operational Risk	A review process be introduced to minimise the risks around sensitive data being stored to network drives.	3	NWP is moving to Office 365 as part of the National Enabling Programme. As part of this work, we will move from the current shared drives arrangement, to a more structured approach to data sharing with teams. As part of the migration to Office 365, a full review of the existing information there will need to be conducted, and thereafter ongoing governance as to its use will be controlled.	Programme Manager, Corporate Programme Office	31/03/2020	31/03/2022	3	<p>06/10/2021 – verbal update at JAC meeting confirming Pilot has been completed</p> <p>09/11/2021 - Update received from Programme Manager</p> <p>Deployment process for NEP 0365 has a structured approach to migrate data from current 'Shared Drive' storage into Dynamically Managed Microsoft Teams environments which increases security of access and control with automated management aligned to IAM. This process is expected to be completed in stages within 6-8 months from department onboarding. This will be supported by the PMO and Corporate Services Web Team. This deployment approach has now started as of 8th November.</p>

003	249421	20/21 Collaborative Project Review – Office 365 - Directed Risk	Role based access to every application at all three Forces be defined and documented for every officer and staff role with each business area defining the applications and access levels required for each role.	2	NWP: IAM solution can provide role-based access to applications that use the Active Directory to allow access. Any application that does not use this method cannot be included in the automated solution but can be documented for the process. Post the delivery of the minimum viable product required by the NEP, which will provide basic role-based access, the approach will be to identify and develop these access roles as part the incremental team based roll out approach for MS365. This approach will see the identification of roles within each team, that can be included in existing access roles or involve the creation of a new one.	Superintendent, SMT, Corporate Services	31/03/2022		1	<p>07/09/2021 Update received from Project Manager</p> <p>Role based access to Teams is being prepared ahead of the Force deployment of M365 which is expected to commence October 2021. The concept is currently being tested with business pilot users that are already onboarded to the NEP design.</p> <p>Role-based access to other applications will be explored as part of phase 2 from March 2022.</p> <p>09/11/2021 Update received from Project Manager</p> <p>No further update expected until after March 2022.</p>
004	249422	20/21 Collaborative Project Review – Office 365 - Directed Risk	Additional support be provided when on boarding officers attached to collaborative units who may have access to applications that have not been previously tested for compatibility with Windows 10.	2	NWP: Included in the approach to incrementally roll out MS365 and the NEP design team is a preparation phase where a SPOC will be identified within a team to be migrated first and test all application to ensure there are no issues.	Superintendent, SMT, Corporate Services	31/03/2022		1	<p>07/09/2021 Update received from Project Manager</p> <p>General testing will resume during the 6 weeks prior to each departmental deployment. Further testing has commenced in key areas of the business identified as complex in order to allow additional time to explore and resolve any potential issues that may arise.</p> <p>09/11/2021 Update received from Project Manager</p> <p>Testing of software and apps is ongoing as the Force progresses through the deployment of M365.</p>
005	249423	20/21 Collaborative Project Review – Office 365 - Directed Risk	Processes be implemented to ensure that future National Enabling Programme design changes can be fully tested and implemented under business as usual.	2	NWP: Maintenance and support ownership and processes currently under review, with the aim for all processes to be in place by April 2021. Management of design changes will fit within existing business change management processes.	Superintendent, SMT, Corporate Services	31/03/2022		1	<p>09/11/2021 Update received from Project Manager</p> <p>A dedicated technical support provision has been provided for newly onboarded users to M365 for a period of 4 weeks. Following this support and maintenance falls under the business as usual model.</p>

006	249424	20/21 Collaborative Project Review – Office 365 - Directed Risk	An appropriate information governance framework be implemented to manage the use of power apps.	2	NWP: A Systems Operating procedure (SysOps) will be developed for MS365 applications including PowerApps. Business rules are currently being established for each application. A DPIA covering the NEP solution has been produced. The need for a specific DPIA for PowerApps will be reviewed during the production of the SysOps.	Superintendent, SMT, Corporate Services	31/03/2022	31/07/2022	1	<p>09/11/2021 Update received from Project Manager</p> <p>A review of the technical system administrator role for M365 took place 5/11/21. The role has been regraded to a higher level and due to go out to advert during November 2021. The recruitment process is anticipated to take 2 - 3 months to complete. At which point the deployment will be underway which complies with the agreement to develop the Sys Ops in life.</p>
007	249425	20/21 Collaborative Project Review – Office 365 - Directed Risk	A benefits realisation review be undertaken 12 to 18 months after the completion of the NEP Office 365 project.	2	NWP: To be conducted by the PMO	Superintendent, SMT, Corporate Services	30/09/2023		1	<p>09/11/2021 Update received from Project Manager</p> <p>Benefits will continue to be tracked and accessed as the rollout progresses. Full benefits review is due after September 2023.</p>
008	249426	20/21 Collaborative Project Review – Office 365 - Directed Risk	The information asset registers at all three Forces be reviewed and updated subsequent to the implementation of Office 365 and SharePoint.	3	NWP: Information Asset Ownership is under review as part of our Business Rules work and production of SysOps to be completed prior to commencing full roll out April 2021. The roll out approach will be incremental with services taking ownership of their data held on Microsoft applications as they are on boarded.	Superintendent, SMT, Corporate Services	30/09/2022		1	<p>09/11/2021 Update received from Project Manager</p> <p>As per 249424 the process to recruit a technical system administrator role has been delayed due to the impact of COVID19. The role has been reviewed and regraded with the vacancy anticipated to be filled in the next 2 to 3 months. Which complies with the agreement to develop the Sys Ops in life.</p>
009	251509	20/21 Fleet Management – Repairs - Directed Risk	A regular review of high value jobs be undertaken to ensure the accuracy and integrity of the data in relation to job costs.	3	This is noted, The Fleet Manager will design dashboards, and reports aimed at capturing data inaccuracies. This work will be built into the design of the New Fleet Management system.	Fleet Manager	30/04/2022		1	<p>04/11/2021 - Update from Fleet Operations Manager</p> <p>The Fleet Analytical Assistant provides a monthly report to the Fleet Operations Manager identifying high value jobs plus inaccuracies within the system. On receipt of the report the Fleet Operations Manager investigates and corrects any errors.</p>

010	252116	21/22 Western Area - Command Unit - Directed Risk	Training for fire marshals at Llangefni and Caernarfon police stations be maintained and kept up-to-date.	2	We note that the auditor recognises that H&S training has been affected due to COVID. Moving forward, we will ensure that the issues highlighted will be addressed, our training processes strengthened and maintain up to date records. We will focus on training the right staff at both locations in line with the recommendation. The H&S Administrator has been tasked to liaise with the members of staff and the Training Department. The list of Fire Marshalls at both locations will be amended to reflect the correct information. Worthy of note, is that SPOCS have a responsibility to inform the H&S Unit when Fire Marshalls move to other locations/role so that records are kept up to date in line with our legislative responsibilities. Without this information, the H&S unit cannot maintain accurate records.	Health & Safety Administrator	01/09/2021	31/12/2021	2	<p>08/11/2021 - Update received from Health & Safety Manager</p> <p>Llangefni - Two LPS officers have been nominated and booked onto the 07/01/2022 course by Duties.</p> <p>Two further Fire Marshalls are required.</p> <p>Left revised date as it is for now, will update once two more candidates have been nominated and booked on courses.</p> <p>As stated on 09/09/2021 - Caernarfon is complete.</p>
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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

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

Summary Internal Controls Assurance (SICA) Report

2021/22

November 2021

Summary Internal Controls Assurance

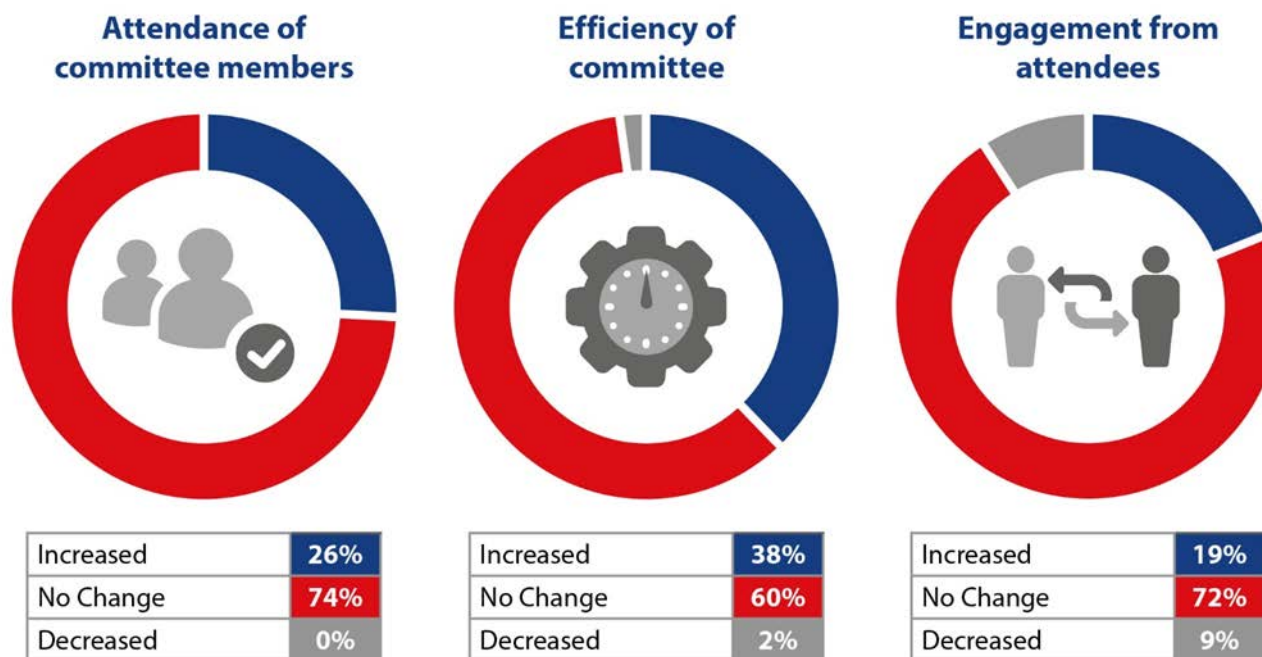
Introduction

1. This summary controls assurance report provides the Joint Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Police and Crime Commissioner North Wales and Chief Constable North Wales Police as at 10th November 2021.

Emerging Governance, Risk and Internal Control Related Issues

2. With the easing of restrictions come the decisions by many businesses as to how they are going to operate in a post-lockdown world. There is a balance between the creativity and collaboration that arises from being in the same workplace and the benefits that arise from remote working and embracing of technology. Our approach is largely driven by how our clients are going to operate so we decided to ask their thoughts as part of our annual client survey. The majority of respondents said that they would prefer a mixture of virtual/remote and face-to-face provision of assurance services in the future. This is largely what we expected, although we recognise that is likely to vary between sectors

Post Lockdown Audit Committee Attendance



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

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

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Capital Programme	Substantial	14 th September 2021	14 th September 2021	17 th September 2021	-	-	-	-
Performance Management	Substantial	15 th October 2021	28 th October 2021	2 nd November 2021	-	-	-	-

4. The report is included in the papers for the meeting. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2021/22 Annual Plan

5. Our progress against the Annual Plan for 2021/22 is set out in Appendix A.

Changes to the Annual Plan 2021/22

6. There are no areas where internal audit work is recommended to enable an unqualified Head of Audit Opinion to be provided for 2021/22. An additional audit has been requested by the Chief Finance Officer in addition to the planned work. The review will consider the arrangements for monitoring the arrangements in place within the Office of the Police and Crime Commissioner to record, acknowledge, review and respond to those complaints that have been made against North Wales Police where the complainant is dissatisfied with the outcome. The review will ensure compliance with requirements set out in the Policing and Crime Act 2017, effective from February 2020.

Progress in actioning priority 1 recommendations

7. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. More information is provided in Appendix B.

Mitigating risk exposures identified by internal audit reviews

Review	Date	Priority 1		
Property Subject to Charge	2020/21	-	1	-
Health and Safety Management	2021/22	-	1	-

Root Cause Indicators

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

RCI – Direction of Travel Assessment 2020-21

Root Cause Indicator	Qtr 3 (2020/21)	Qtr 4 (2020/21)	Qtr 1 (2021/22)	Qtr 2 (2021/22)	Qtr 3 (2021/22)	Medium term Direction of Travel	Audit Observation
Governance Framework	67% (2)	12% (5)	-	-	-	N/A	No recommendations in Quarter 3 to date
Risk Mitigation	-	-	-	-	-	N/A	
Control Compliance	33% (1)	86% (36)	90% (9)	100% (1)	-	↓	
Performance Monitoring	-	2% (1)	10% (1)	-	-	N/A	No recommendations in Quarter 3 to date
Financial Constraint	-	-	-	-	-	N/A	
Resilience	-	-	-	-	-	N/A	

Frauds/Irregularities

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

Other Matters

10. We have issued a number of briefing notes and fraud digests, shown in Appendix C, 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
VMWare Vulnerabilities	To be provided by North Wales Police
NCSC Launches Scam Website Reporting Service	
UK Finance Confirm Fraud Losses Rise by 30%	
Sarah Everard Murder: MP calls for Further Measures on Police Vetting	
Fraudulent Emails and Purchase Orders	
Fraud Alert	Management Response
No Fraud Alerts have been issued since the last SICA	N/A

Responsibility/Disclaimer

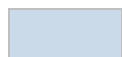
11. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements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

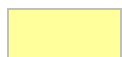
Progress against Annual Plan 2021-22


System	Planned Quarter	Current Status	Comments
Collaborative – Pan Wales			
Counter Fraud (Anti-Fraud Procurement)	1	Site work commenced	Lead force = North Wales
Pensions – All Wales Pension Board*	2	Draft report issued 11 th October 2021	Lead force = Dyfed-Powys
Safety Camera Partnership	2	Draft report issued 28 th October 2021	Lead force = Dyfed-Powys
Automatic Number Plate Recognition (ANPR)	2	Draft report issued 8 th October 2021	Lead force = Dyfed-Powys
Agile Working	2	Planned start date 19 th January 2022	Lead force = changed from North Wales to Gwent Police, as North Wales and Dyfed have deferred their part to January 2022
Budgetary Control	3	Site work commenced	Lead force = North Wales
General Ledger	3	Draft report issued 3 rd November 2021	Lead force: = Gwent Police
Payroll	3	Planned start date 29 th November 2021	Lead force = South Wales
Creditors	3	Site work commenced	Lead force = South Wales
Debtors	3	Planned start date 15 th November 2021	Lead force: Gwent Police
Treasury Management	3	Site work commenced	Lead force = South Wales
North Wales Only			
Health and Safety Management	1	Final report issued 5 th July 2021	Presented to August 2021 JAC
ICT – Network Security	1	Site work commenced	Moved to Quarter 2 at the request of management.
Western Area – Command Unit	1	Final report issued 29 th June 2021	Presented to August 2021 JAC
Pensions – Cyber Security	1	Final report issued 2 nd September 2021	Presented to October 2021 JAC
Commissioner's Grants	2	Draft report issued 9 th November 2021	


System	Planned Quarter	Current Status	Comments
Collaborative – Pan Wales			
Performance Management	2	Final report issued 2 nd November 2021	
ICT – Data Protection	2	Site work commenced	
Capital Programme	2	Final report issued 17 th September 2021	
Fleet Management – Fleet Strategy	3	Planned start date 31 st January 2022	
Risk Management – Mitigating Controls	3	Planned start date 22 nd November 2021	
Contract Management	3	Planned start date 2 nd December 2021	
Fixed Assets	3	Site work commenced	
HR Management – HR Strategy	3	Planned start date 22 nd November 2021	
Occupational Health Unit	4	Planned start date 4 th January 2022	
Strategic Planning	4	Planned start date 10 th January 2022	
OPCC Complaints	4	Proposed date w/c 4 th January 2022	Additional audit agreed with Chief Finance Officer
Follow-up	4	Planned start date 7 th February 2022	
Liaison with Audit Wales	1-4		
Annual Planning	4	Final Report issued 12 th May 2021	
Annual Report	4		
Audit Management	1-4		

KEY:

 To be commenced

 Site work commenced

 Draft report issued

 Final report issued

Priority 1 Recommendations - Progress update

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
Property Subject to Charge 2020-21						
The numerous exhibits recorded as 'Checked out to Officer' on Niche be investigated and appropriate action be taken to ensure the accuracy of the current location is evident on Niche.	1	<p><i>Refer OEM Management Comment Ref 2 – regarding 'Direct Officer Recording' which impacts on the effectiveness of the AUTOMATED 'Checked out - Due back' date Reminder on Niche Property.</i></p> <p><i>The Property & Exhibit Standard Operating Procedure (SOP) Sections 4.8, 4.9 & 5.3.9 requires officers to either promptly 'Check-in' exhibits or notify Seized Property Stores (SP) of exhibits which have been Returned to Owner; Sent for Forensic Testing or retained/disposed for some Other Purpose. When this does not happen SP has to MANUALLY Task officers.</i></p> <p><i>When audited – 9,247 exhibits were recorded on Niche as 'Checked out to Officer.</i></p> <p><i>The SP Manager has reviewed the list and taken action to reduce the list to 7,313 by 26/05/2021.</i></p> <p><i>Of the 7,313 remaining exhibits 1,080 are Captor Incapacitant Spray* which have been recorded on the Niche Property Management System for issue/'Checked out to Officer' for periods up to four years (expiry date). This was done under the directive of the Conflict Management Board.</i></p> <p><i>*The 1080 captor sprays recorded on Niche property is new stock issued to officers following the new directive since July 2019. This number will gradually increase on Niche property as used/expired captors,</i></p>	Full implementation 30//11/2021	Seized Property Manager	<p><i>As per management Comments</i></p> <p>September 2021 – TIAA were advised that "as of 1st August 2021 there were 3,590 exhibits checked out to the officer; in the month of July 1,263 exhibits were reviewed thus meeting the requirement of 1,000 per month as per TIAA audit report". A further update was that as at 31st August the number was reduced to 2.952.</p> <p>November 2021 - There are 2977 items checked out as at 31/10/2021; 1117 captor and 1860 checked out to officers</p> <p>The current status of items is as below:</p> <p>2015 items - 1</p> <p>2017 items - 25</p> <p>2018 items - 20</p> <p>2019 items - 1039 (934 of which are captor)</p> <p>2020 items - 420 (32 of which are captor)</p> <p>2021 items - 1472 (151 of which are captor)</p> <p>Out to Officer for Court/Enquiries/Interviews - 743</p> <p>Return to Owner - 769</p> <p>Forensic Testing - 348</p>	

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
		<p>which were historically issued and manually recorded on lists by Custody staff are returned and replaced by new stock via Niche Property..</p> <p>The Seized Property Manager and SP Team have been Tasked to review, investigate and action the REMAINING 6,233 'Checked out to Officer' exhibits.</p> <p>Creating, adding, locating, moving, checking-out, checking-in and disposing of property exhibits on the Niche Property Management System is a dynamic and constantly changing environment which requires regular monitoring and audit by Seized Property and Operational Line Managers.</p> <p>Refer MAP Rec 5 – Page 6 for Management Comment Actions relating to officer Training and Awareness</p> <p>The Archive and Support Services Manager will monitor and report on progress to ensure that only current and exhibits still under investigation (including captor spray) remain 'Checked out to Officer'. This will be included in the Monthly KPI Report for NPCC Director of Finance & Resources</p>			<p>All items up to and including May 2021 have been reviewed and furthermore the Seized Property Manager has also instigated new procedures to her team in respect of property in transit stores, a copy of which will be forwarded to the auditor. The remainder of the items are considered to be current.</p>	
Health and Safety Management 2021-22						
Accountability and responsibility for the completion and submission of RIDDOR reports be agreed and arrangements put in place to strengthen the mechanism behind the reporting of RIDDORs to achieve the outcome of timely reporting to HSE.	1	<p>Further work is ongoing to strengthen the mechanism behind the reporting of RIDDORs to achieve timely reporting to HSE in all instances.</p> <p>For example, we have started to improve our processes by developing a presentation for Chief Officers because they can influence changes within the Organisation to address the issues highlighted by the Auditor. Updates and input from Line Managers is crucial so that RIDDOR reports are submitted on time in line with our statutory duties and H&S Policy.</p>	01/09/2021	Health and Safety Manager	<p>As per management comments</p> <p>September 2021 – The Health and Safety Manager (HSM) stated that "Individual Need to Know (NTK) documents to be prepared by HSM and circulated at different intervals to cover, Line Managers responsibilities re: RIDDOR reporting, Injury on Duty, Near Miss DSE reports by staff who they are responsible for – NTK final drafts completed 02/09/2021, submitted</p>	

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
		<p><i>It must be emphasised the H&S unit is reliant on information/updates being fed back to the HSM so that matters are investigated promptly and recorded in line with HSE legislation within given time frames.</i></p> <p><i>Moving forward, and for the avoidance of doubt, late submissions of RIDDOR reports to HSE is not acceptable under any circumstances.</i></p> <p><i>We believe that consistency of approach is key, coupled with Training and educating Line Managers regarding their responsibilities.</i></p> <p><i>Where necessary we will continue to liaise with HSE colleagues regarding this and other H&S issues and seek guidance in key areas of H&S</i></p> <p><i>Furthermore, we have requested that the Training Department cover the above issue with new recruits, newly promoted Sergeants and Inspectors</i></p>			<p><i>for sign off, once approved they will be circulated Force wide and published on the Force intranet. HSM to raise awareness on H&S Web site”.</i></p> <p><i>November 2021 - The RIDDOR NTK was circulated and published on the Force intranet on 18/10/2021; Near Misses NTK circulated on 25/10/2021; Injury on Duty NTK due out on 08/11/2021 and DSE due out on 15/11/2021. For information once NTKs are circulated they are published on the Force Intranet and Health and Safety web site. The following are examples of actions taken:</i></p> <ul style="list-style-type: none"> <i>04/11/2021 – Advised by Federation that the Health and Safety update has been added to their website; they now have a section for Health & Safety on their Pay and Conditions page so that future updates can be published there.</i> <i>21/10/2021 - Following discussions with the CC and PCC appointing an H&S Champion at CO level is being considered.</i> <i>21/10/2021 – H&S presentation to the Chief Constable, Police and Crime Commissioner, DFR and other service leads, following which the CC agreed to do a video blog to raise awareness on Health, Safety and Health and Wellbeing with reference to the Auditor’s report. This matter is being progressed by the HSM and the Force’s corporate comms department. Target date for the video blog to be confirmed</i> 	

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
					<ul style="list-style-type: none"> 18/10/2021 - HSM attends all IOSH Managing Safely Courses and gives an update on key H&S matters including those highlighted in the auditor's report 14/10/2021 - Confirmation received from Federation that the Health and Safety paper will be included in the December edition of the Federation magazine. 13/10/2021 - Confirmation received from Unison that the Health and Safety paper was included in Unison e-newsletter issued on 13/10/2021 04/10/2021 - "Health and Safety Update" email circulated to all staff detailing additional functions within the forms to assist with reporting and recording processes 	

KEY:

Priority Gradings

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

CLEARED	Internal audit work confirms action taken addresses the risk exposure.	ON TARGET	Control issue on which action should be taken at the earliest opportunity.	EXPOSED	Target date not met & risk exposure still extant
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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
CBN-21030	VMWare Vulnerabilities		Action Required All organisations running the VMWare virtualisation software need to install the latest version as soon as practicable to address the vulnerability.
CBN-21035	NCSC Launches Scam Website Reporting Service		Information Only
CBN-21039	UK Finance Confirm Fraud Losses Rise by 30%		Information Only
CBN-21041	Sarah Everard Murder: MP calls for Further Measures on Police Vetting		Action Required Audit Committees and Boards/Governing Bodies are advised to ensure that vetting is undertaken when staff members move department and is refreshed on a timely basis.
CBN-21042	Fraudulent Emails and Purchase Orders		Action Required Procurement teams and suppliers to your organisation should be made aware of this scam.

Summary of recent Fraud Alerts

Ref	Subject	Status	TIAA Comments
No Fraud alerts have been issued since the last SICA.			

JOINT AUDIT COMMITTEE

Title:	Risk Management Report (Open Session)
Author:	Neil T. Ackers, Risk and Business Continuity Lead
Purpose of the report:	To provide the Joint Audit Committee with an update on the organisational risk process and an oversight of the current risks recorded by North Wales Police and the North Wales Police and Crime Commissioner.
The report is provided to JAC for: (tick one)	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Information
Summary / Key Points:	<ul style="list-style-type: none"> • All risks have been reviewed monthly by the Risk and Business Continuity ensuring they are updated and remain on target. A dated entry is made alongside the review within the embedded risk record's supporting information document. • Reminders have been sent to Risk Leads to review and update their ongoing risks and actions either on a monthly or quarterly basis (dependent on the risk type). • Since the previous update all risks on the Force Risk Register have been reviewed in the following meetings with no issues or exceptions having been raised. <ul style="list-style-type: none"> ○ Senior Management Team Meetings ○ Senior Leadership Team Meeting ○ Strategic Management Board ○ Strategic Executive Board ○ Strategic Operational Board ○ Strategic Change and Collaboration Board • A summary of all risks recorded on the Force Risk Register are also reported to the Assurance Board. • A summary of live risks recorded on the Force Risk Register up to and including the 09th November 2021, specifically highlighting: <ul style="list-style-type: none"> ○ New risks added to the risk register since the last update <ul style="list-style-type: none"> ▪ Risk 81 Inability attracting Staff to apply for key roles ▪ Risk 82 ICT Supply Chain Issues ▪ Risk 83 Civil Claims ○ Closed risks off the risk register since the last update <ul style="list-style-type: none"> ▪ Risk 63 Pandemics ▪ Risk 77 Increased Workload Speed Camera Process Unit

	<ul style="list-style-type: none"> ▪ Risk 80 Court listing timescales of cases due to COVID-19 ▪ Risk 83 Civil Claims ○ Risk Changes on Force Risk Register since last report <ul style="list-style-type: none"> ▪ Risk 70 - Victim Service in Terms of Crime Data Integrity and Investigation Standards • A summary of the Force Risk Register Risk Actions RAG rating, with no concerns highlighted. • Risk Deep Dive <ul style="list-style-type: none"> ○ Risk 46 Digital Transformation • Force COVID19 Risk Register • Developments regarding risk management since last report: <ul style="list-style-type: none"> ○ All Wales Risk Leads Meeting ○ Assurance Mapping ○ Online Meeting with JAC Member
Recommendations:	None
Risk Register Impact:	This report is based on details recorded on both the Force Risk Register
Assurance Implications:	This report is directly relevant to the development of assurance in North Wales Police
Equality Impact:	None
Information Exempt from Disclosure:	Yes (highlighted in yellow)

1. INTRODUCTION

The purpose of this report is to provide an update on the organisational risk management process and allow oversight of the status of North Wales Police and Crime Commissioner and North Wales Police risks and is based on information received and recorded by 9th November 2021 on the Force Risk Register version 5.374

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

2. FORCE RISK REGISTER SUMMARY

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

Table 1: - NWP Risks on the Force Risk Register 7th September 2021 – 9th November 2021

Risk Levels before Controls	Previous NWP Risk Total	Risks Closed in this period	New Risks in this period	NWP Risks currently recorded on Force Risk Register
Critical	5	2	2	6 ** See below comment
High	21	2	1	20
Medium	2	1	0	0 ** See below comment
*Undefined	0	0	0	0
Total	28	5	3	26

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

** Since the last JAC, **Risk 70 Victim Service in Terms of Crime Data Integrity and Investigation Standards** was reviewed in full and re-scored, resulting in its 'Before Control level' being raised from **MEDIUM** to **CRITICAL**. This change has altered the Risk Levels of those NWP risks currently recorded on the Force Risk Register.

Table 2: - OPCC Risks Force Risk Register 7th September 2021 – 9th November 2021

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

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

Risk 81 Inability attracting Staff to apply for key roles in NWP

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 DYNAMIC risk with a Present Risk Level of HIGH and currently has 2 LIVE Actions which are On Track.

Risk 82 ICT Supply Chain Issues

There is a risk that we can't obtain the ICT critical equipment where we need to due to supply chain challenges **caused by** increased pressures in the supply chain that impact on pricing, availability and lead times **which may result 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, as a result.

Prior to control measures this was determined as a HIGH risk. This is a STATIC risk with a Present Risk Level of HIGH and currently has no LIVE Actions recorded, however the mitigations installed ensure the risk remains on Track.

Risk 83 Civil Claims

During the scoring process of this risk, the Before Controls Level was determined as CRITICAL. It was identified following the last update to JAC in relation to Action 6, that to be compliant with the Force Risk Management and Assurance Framework, the risk should be recorded on the Force Risk Register. Due to the number of controls in place to manage this risk and reduce the Present Risk Level to MEDIUM, which was also the Target Risk Level, the risk was closed and removed from the Force Risk Register. This administrative process also ensured this risk underwent the assurance mapping process.

There is a risk that if we manage our Civil claims in a sub optimal way **caused by** us having strategies, policies and procedures and necessary skill set, capacity and experience that are not fully effective **which may result in** adverse financial and reputational consequences for the Force.

4. RISKS CLOSED FROM FORCE RISK REGISTER SINCE LAST REPORT

Risk 63 Pandemics

Prior to control measures this was determined as a CRITICAL risk. This STATIC risk related to any future pandemic caused by a global outbreak of a disease such as [Spanish flu](#), [Zika virus](#), [Ebola and](#) most recently COVID19, that could rapidly spread across North Wales which may severely impact the Force in meeting its Force objectives. The Present Risk Level was determined as HIGH with a Target Risk Level of MEDIUM.

The risk was authorised for closure and removal from the Force Risk Register at Strategic Operational Board 02/09/21 due to:

- There now being a [NWP Pandemic Framework v1.1.doc](#) in place
- Pandemic is recorded within the [Community Risk Register](#) and managed via the Local Resilience Forum
- Business Continuity Plans across the Force reviewed and refreshed

Risk 77 Increased Workload Speed Camera Process Unit

Prior to control measures this was determined as a HIGH risk. This DYNAMIC risk related to workloads significantly increasing within the Speed Camera Process Unit (SCPU) caused by increased enforcement of speed offences using fixed and mobile cameras because of the relaxing of Covid19 Regulations and more people coming to North Wales for their holidays (staycations). Low emissions zones enforcement for the whole of Wales may result in the Safety Camera Process Unit (SCPU) being overwhelmed with offences that cannot be processed, offences that may go out of time or they may have to be withdrawn. The Present Risk Level was determined as MEDIUM but in September 2021 decreased to LOW. The Target Risk Level was Low.

The risk was authorised for closure and removal from the Force Risk Register at the Operational Support Services (OSS) Senior Management Team (SMT) meeting on 04/11/21 due to:

- All Actions marked as complete
- The Target Level of LOW had been reached
- The risk had been Treated

Risk 80 Court listing timescales of cases due to COVID-19

Prior to control measures this was determined as a HIGH risk. This STATIC risk related to court backlogs caused by Covid19 resulting in cases such as drink/drug drive being bailed and drivers re-offending when they are still at liberty to drive. The Present Risk Level was determined as MEDIUM but in October 2021 decreased to Low. The Target Risk Level was Low.

The risk was authorised for closure and removal from the Force Risk Register at the Operational Support Services (OSS) Senior Management Team (SMT) meeting on 04/11/21 due to:

- All Actions marked as complete
- The Target Level of LOW had been reached
- The Risk had been Treated

Risk 83 Civil Claims

During the risk scoring process, the Before Controls Level was determined as CRITICAL. It was identified following the JAC Action 6 update, that to be administratively compliant with the Force Risk Management and Assurance Framework, the risk should be recorded on the Force Risk Register. Due to the number of controls in place that evidenced the risk was well managed, the Present Risk Level was determined as MEDIUM. The Target Risk Level was also MEDIUM. The risk was closed and removed from the Force Risk Register.

5. RISK CHANGES ON FORCE RISK REGISTER SINCE LAST REPORT**Risk 70 - Victim Service in Terms of Crime Data Integrity and Investigation Standards**

The following risk description is currently being re-written to clearly define the risk.

“HMICFRS have developed inspections surrounding victim service to incorporate crime data integrity and now look across the force at the ‘victim journey’ Multiple strands of work will require to be pulled together and internal oversight developed to ensure compliance and service delivery is of the required standard”.

The risk was initially scored by the Risk Lead with a Before Controls Level of MEDIUM and a Risk Status of STATIC.

Chief Superintendent replaced the previous Risk Lead and rescored the risk with the support and guidance of Risk and Business Continuity Lead. It was determined the Before Controls Risk Level was CRITICAL. The Present Risk Level was determined as being HIGH and the Target Risk Level as MEDIUM. The Risk Status has been amended to DYNAMIC.

With the support and guidance of Risk and Business Continuity Lead, the risk is currently being reviewed actions created and control measures fully documented.

6. FORCE RISK REGISTER ACTIONS

Table 3: - Risk Actions RAG Rating

Actions Not on Track	Actions On Track but with Issues	Actions On Track	Completed Actions
0	0	45	78

All risk actions remain on track with no issues highlighted.

7. RISK DEEP DIVE

Risk 46 Digital Transformation is subject of a 2nd deep dive and will be presented by Corporate Programme Manager during the meeting.

8. Force COVID19 Risk Register

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

9. DEVELOPMENTS REGARDING RISK MANAGEMENT

All Wales Risk Leads Meeting

The 2nd online 'All Wales Regional Risk Meeting' was Chaired on 14th October by Risk and Business Continuity Lead and attended by representatives from all Welsh Forces who found this new engagement to discuss common themes and share good practice extremely useful. It was agreed the Chair will remain with North Wales' Risk and Business Continuity Lead and the next online meeting is scheduled for 30th November 2021.

Assurance Mapping (JAC Action 8)

The assurance mapping process has now been incorporated into the Risk Management and Assurance Management Framework. All risks authorised for closure by a Senior Management Team (SMT) or Force Strategic Board, considered risks that do not meet the threshold for recording on the Force Risk Register, and any risks on the Force Risk Register that are over 12 months old, will be assurance mapped.

All risks currently on the Force Risk Register over 12 months old have now been assurance mapped and are currently being finalised with Risk Leads with a view to begin reporting to Senior Leadership Team (SLT), Joint Audit Committee (JAC), Assurance Board and Senior Management Teams (SMTs) at the end of November onwards. The process will then become business as usual with an annual review each April.

All risks that have recently been closed and removed from the Force Risk Register, and considered risks that have been scored against the 'Before Controls Scoring Matrix' but do not meet the threshold for recording on the Force Risk Register will be assurance mapped during November. This will then be a continual process moving forward.

Online Meeting with JAC Member (JAC Action 7)

An online meeting took place on 4th November in relation to Action 7 with the following in attendance:

JAC Member

Corporate Head of Business Intelligence

Corporate Head of Change

Corporate Programme Manager

Risk and Business Continuity Lead

Corporate Programme Manager, supported by Corporate Head of Change delivered a presentation on the management of Project Risks, how they are escalated to the Force Risk Register, recorded and progressed both at Portfolio Management Office Level and Strategically managed on the Force Risk Register. JAC member asked some excellent questions which those in attendance were able to answer. All parties found JAC Member extremely supportive of work in progress and would like to thank her for the time she made available to attend the meeting.

10. FORCE RISK REGISTER AS AT 09/11/2021

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	16/09/21	1	1	1		
9	Adequacy of financial resources	Critical	High	Medium	Static	30/08/17	12/10/21	0	4	n/a		
10	REDACTED CLOSED SESSION	High	Medium	Low	Static	11/03/16	22/09/21	1	8	1		
11	REDACTED CLOSED SESSION	High	Low	Negligible	Static	03/07/17	22/09/21	1	9	1		
13	Inadequate financial resources to deliver service plans	Critical	Medium	Medium	Static	23/11/16	21/10/21	1	7	1		
14	Risk of loss of money invested on the money market	Critical	Low	Low	Static	15/03/17	21/10/21	1	5	1		
46	REDACTED CLOSED SESSION	High	High	Medium	Static	03/02/20	18/10/21	2	0	2		
47	Ability to Integrate Uplift Officers	High	Low	Low	Static	03/02/20	12/10/21	1	2	1		
53	REDACTED CLOSED SESSION	High	Low	Medium	Static	02/03/20	12/10/21	0	8	n/a		
54	REDACTED CLOSED SESSION	High	Medium	Low	Dynamic	29/04/20	26/10/21	1	1	1		
57	ESN proves to be an unviable or sub optimal solution	High	High	Low	Static	13/05/20	18/10/21	2	0	2		
60	REDACTED CLOSED SESSION	High	Medium	Medium	Static	19/05/20	29/09/21	1	3	1		
65	REDACTED CLOSED SESSION	High	Medium	Medium	Static	07/07/20	05/11/21	5	0	5		
66	REDACTED CLOSED SESSION	High	Medium	Low	Dynamic	23/06/20	14/10/21	2	1	2		
67	REDACTED CLOSED SESSION	High	Low	Low	Dynamic	19/08/20	14/10/21	1	2	1		
69	REDACTED CLOSED SESSION	High	Medium	Low	Static	19/12/20	05/08/21	1	2	1		
70	REDACTED CLOSED SESSION	Critical	High	Medium	Dynamic	11/01/21	08/11/21	3	0	3		
71	Pensions	High	High	Medium	Static	20/01/21	03/09/21	4	0	4		
72	Non – compliance with the Data Protection Act	High	Medium	Low	Static	02/03/21	15/09/21	1	1	1		
73	REDACTED CLOSED SESSION	Critical	Medium	Low	Dynamic	01/03/21	14/10/21	1	0	1		
74	REDACTED CLOSED SESSION	Critical	High	Medium	Dynamic	04/06/21	11/10/21	5	9	5		
75	REDACTED CLOSED SESSION	High	High	Medium	Dynamic	07/07/20	18/10/21	1	2	1		
76	REDACTED CLOSED SESSION	High	Medium	Low	Dynamic	16/06/21	26/11/21	5	9	5		
78	Unsupported Windows 10 Operating System	High	High	Medium	Dynamic	08/04/21	15/10/21	1	1	1		
79	Mandatory Refresher Training	High	Medium	Low	Dynamic	18/06/20	22/10/21	1	1	1		
81	Inability attracting Staff to apply for key roles in NWP	Critical	High	Medium	Dynamic	08/09/21	20/10/21	2	2	2		
82	ICT Supply Chain Issues	High	High	Medium	Static	10/09/21	01/10/21	0	0	n/a		

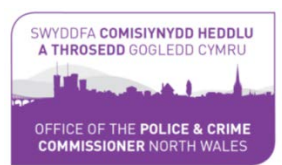
11. FORCE COVID19 RISK REGISTER AS AT 09/11/21

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

Joint Audit Committee

Meeting Date: 8 December 2021

Title:	Proposed Work Programme
Author:	Chief Finance Officer
Purpose of the report:	To agree the work programme
The report is provided to JAC for: (tick one)	<input type="checkbox"/> X Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Assurance <input type="checkbox"/> Information
Summary / Key Points:	<ul style="list-style-type: none"> ensures that the Committee is able to fulfil its duties in line with statutory deadlines, and that all of the Committee's responsibilities are discharged during the course of each year we have listened to feedback from the Joint Audit Committee, and have added the following items to be brought to future meetings: <ul style="list-style-type: none"> information management and compliance provision of internal audit service
Recommendations:	<ul style="list-style-type: none"> For members of the Committee to note which items are subject to a statutory deadline, and therefore the meetings have been arranged to fulfil those requirements. For members of the Committee to consider additional content which might be presented at future meetings. For the future work programme to be brought to each meeting, outlining the work for the forthcoming twelve months on a rolling basis.
Risk register impact:	One of the purposes of the Committee is to provide assurance to the Police and Crime Commissioner and the Chief Constable that financial and non-financial risks are being managed effectively.
Assurance implications:	The purpose of Joint Audit Committee is to provide assurance to the Police and Crime Commissioner and the Chief Constable, in line with the Terms of Reference. The work programme helps to ensure that all relevant areas are presented to the Committee.
Equality Impact:	Equalities legislation was taken into account when recruiting the independent members of the Joint Audit Committee. There is a Joint Equalities' Scheme in place.
Information exempt from disclosure:	None.



JOINT AUDIT COMMITTEE

8 December 2021

PROPOSED WORK PROGRAMME

Report by the Chief Finance Officer



1. INTRODUCTION

- 1.2 The Joint Audit Committee has been provided with a programme of work annually during the July meeting. This ensures that the Committee is able to fulfil its duties in line with statutory deadlines, and that all of the Committee's responsibilities are discharged during the course of each year.
- 1.3 In addition, items to be presented to the Joint Audit Committee are identified by various means – by officers, staff or the Committee members. These have been added to the work programme on a less formal basis, and are added to the agenda as appropriate.
- 1.4 Policing is an ever-changing environment. While it remains vital that the Joint Audit Committee carry out certain tasks by key dates, presenting the work programme only once each year is inflexible, and does not document sufficiently when newly-identified items are to be presented to the committee. Therefore, at the meeting held on 9 March 2020, the Committee proposed that the work programme be discussed at the end of each meeting.
- 1.5 This report, therefore, includes the proposed work plan for the next twelve months. Where the meeting date has not yet been finalised, the month of the meeting is shown for guidance.

2. RECOMMENDATIONS

- 2.1 For members of the Committee to note which items are subject to a statutory deadline, and therefore the meetings have been arranged to fulfil those requirements.
- 2.2 For members of the Committee to consider additional content which might be presented at future meetings.
- 2.3 For the future work programme to be brought to each meeting, outlining the work for the forthcoming twelve months on a rolling basis.

3. WORK PROGRAMME

- 3.1 With the exception of items timetabled 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:

3.3

Date of Meeting	Work Programme 2021/22
All (Until Further Notice)	<ul style="list-style-type: none"> • Business Update • HMICFRS Update • Internal Audit Update • Risk Update • Work Programme

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

Date of Meeting	Work Programme 2021/22
Spring 2022	<ul style="list-style-type: none"> • Welsh Joint Audit Committees annual event
28 March 2022	<ul style="list-style-type: none"> • Capital Strategy (including the Treasury Management Strategy) <i>to be approved before 1 April 2022</i> • Governance update – including draft AGS; Audit Wales – annual plan • Force management statement • Risk strategy & risk appetite statement – Annual review • JAC Annual Report - draft report and discussion • Risk deep dive: Adequacy of Financial Resources • Risk deep dive: Digital Transformation (Project specific) • Audit Wales – AW staff member from data analytics team to attend meeting • Ethics Committee
June 2022	<ul style="list-style-type: none"> • Accounts Technical Briefing
28 July 2022	<ul style="list-style-type: none"> • ISA 260 and signing of accounts <i>to be signed by 31 July 2022</i> • Force Management Statement • Self-assessment and Annual report of JAC – final report • Risk deep dive: Non Compliance with Data Protection Act • Capital programme (outturn and forward look) • Treasury Management Performance
6 October 2022	<ul style="list-style-type: none"> • Governance Update • HMICFRS Value for Money Profiles
8 December 2022	<ul style="list-style-type: none"> • Audit Wales – Value for Money and Annual Audit Report (Management Letter) • Legal report • Risk strategy & risk appetite statement – Annual review • Governance update • Ethics • Treasury Management Performance

Provisional Risk Deep Dive Programme	<ul style="list-style-type: none"> • Collaboration
Prior Risk Deep Dives to reference in Periodic Risk Report	<ul style="list-style-type: none"> • Command & Control • ICT Sourcing Strategy • Cyber • Digital Transformation (NEP)

Other items to be discussed with JAC	Provision of internal audit services
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4. IMPLICATIONS

4.1	Equality	Equalities legislation was taken into account when recruiting the independent members of the Joint Audit Committee. There is a Joint Equalities' Scheme in place.
4.2	Financial	Planning the work for the forthcoming year reduces the need for ad-hoc meetings.
4.3	Legal	Legislation requires that a Joint Audit Committee be established. The functions of the Joint Audit Committee are summarised within its Terms of Reference , which has been prepared in accordance with <i>Audit Committees\Practical Guidance for local Authorities and Police - 2018 Edition (CIPFA)</i> . This work programme takes account of the statutory and practical requirements to fulfil these obligations.
4.4	Community	Meeting papers and minutes are published, and the meetings are open for the public to attend.
4.5	Risk	One of the purposes of the Committee is to provide assurance to the Police and Crime Commissioner and the Chief Constable that financial and non-financial risks are being managed effectively.
4.6	Police and Crime Plan	The role of the Joint Audit Committee is part of the overall Police and Crime Plan.

Report Author:

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

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

Annual Audit Letter 2021

This is our annual audit letter for the Police and Crime Commissioner for North Wales and Chief Constable of North Wales Police.

It summarises the key messages and conclusions arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 and my reporting responsibilities under the Code of Audit Practice.

The Police and Crime Commissioner's and Chief Constable's responsibilities

It is the Police and Crime Commissioner's (the Commissioner) and Chief Constable's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that their assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in their use of resources.

Police bodies in Wales prepare their financial statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards.

My audit responsibilities and conclusions

Each year the Auditor General audits the Commissioner's and Chief Constable's financial statements to make sure that public money is being properly accounted for.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the body's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

We continue to recognise the huge strain COVID-19 has placed on public services and aim to work in a way that seeks to reduce the impact on public bodies' response to COVID-19, while still meeting our statutory duties.

The financial statements prepared by the Commissioner and Chief Constable present a true and fair view of their financial position and transactions

The quality of the draft statements presented for audit on 4 June was good.

Some changes were made to the financial statements arising from our audit work. The key matters arising from the accounts audit were reported to members of the Joint Audit Committee in my Audit of Financial Statements report on 6 October 2021.

On 7 October 2021 I issued an unqualified audit opinion on the financial statements for both the Commissioner and Chief Constable confirming that they present a true and fair view of each body's financial position and transactions. My report is contained within the Statement of Accounts.

The Annual Governance Statements and Narrative Reports accompanying the annual accounts were prepared in line with the CIPFA Code and relevant guidance. They were consistent with the financial statements and with our knowledge of North Wales Police.

I am satisfied that the Commissioner and Chief Constable have appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources

My consideration of the body's arrangements to secure economy, efficiency and effectiveness has been based on:

- the audit work undertaken on the statement of accounts;
- the results of the audit work undertaken on the Commissioner's and Chief Constable's systems of internal control, as reported in the Annual Governance Statement;
- the results of other work carried out by the Auditor General including our review of collaboration of emergency services in Wales and between the four Welsh forces';
- the results of the work of other external review bodies, e.g. Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), where relevant to my responsibilities; and
- any other work, including from Internal Audit, that I considered necessary to discharge my responsibilities.

For the purposes of my work, I evaluated the Commissioner's and Chief Constable's systems against a number of questions. This approach is set out in detail in **Appendix 1** to this letter. For each question, I consider whether there are gaps in the arrangements expected to be in place, and the significance of those gaps.

Based on the work I have undertaken, I am satisfied that the Commissioner and Chief Constable have appropriate arrangements in place to secure economy, efficiency and effectiveness in their use of resources.

I issued a certificate confirming that the audit of the accounts of the Commissioner and Chief Constable have been completed on 7 October 2021

I received no electors' questions or objections in relation to the 2020-21 audit.

Having given an audit opinion on the financial statements and concluded on the Commissioner's and Chief Constable's arrangements to secure economy, efficiency and effectiveness in its use of resources, I was able to certify that the audit was complete when I issued my audit opinion.

Financial audit fee

The financial audit fee for 2020-21 is currently being reviewed and is expected to be in line with the agreed fee set out in the Annual Audit Plan 2021.

Yours sincerely

Derwyn Owen
Engagement Director
For and on behalf of the Auditor General for Wales

cc

Criteria to assess arrangements for securing economy, efficiency and effectiveness in his use of resources

Exhibit 1: criteria for assessing arrangements

Corporate performance management and financial management arrangements	Questions on arrangements
Establishing objectives determining policy and decision making	Has the Commissioner/Chief Constable put in place arrangements for setting, reviewing and implementing his strategic and operational objectives?
Meeting the needs of users, stakeholders and the local population	Has the Commissioner/Chief Constable put in place channels of communication with the local population, users of the service, and other stakeholders including partners, and are there monitoring arrangements to ensure that key messages about services are taken into account?
Monitoring and reviewing performance	Has the Commissioner/Chief Constable put in place arrangements for monitoring and scrutiny of performance, to identify potential variances against strategic objectives, standards and targets, for taking action where necessary and reporting to the Commissioner/Chief Constable?
Compliance with established policies	Has the Commissioner/Chief Constable put in place arrangements to maintain a sound system of internal control, including those for ensuring compliance with laws and regulations, and internal policies and procedures?
Operational and financial risks	Has the Commissioner/Chief Constable put in place arrangements to manage his significant business risks?

Corporate performance management and financial management arrangements	Questions on arrangements
Managing financial and other resources	Has the Commissioner/Chief Constable put in place arrangements to evaluate and improve the value for money he achieves in his use of resources?
	Has the Commissioner/Chief Constable put in place arrangements to ensure that his spending matches his available resources?
	Has the Commissioner/Chief Constable put in place arrangements for managing and monitoring performance against budgets, taking corrective action where appropriate, and reporting the results to senior management and the Commissioner/Chief Constable?
Proper standards of conduct etc.	Has the Commissioner/Chief Constable put in place arrangements for monitoring and scrutinising performance, to identify potential variances against strategic objectives, standards and targets for taking action?
	Has the Commissioner/Chief Constable put in place arrangements that are designed to promote and ensure probity and propriety in the conduct of his business?

<p>Have auditors identified any indications that proper arrangements may not be in place from a review of the following sources during the course of their normal audit work?</p>	<p>Findings and conclusion</p> <p>Based on findings below there are no indications that proper arrangements may not be in place.</p>
<p>Audit of accounts</p>	<p>Unqualified opinion issued on 7 October 2021.</p>
<p>Local and national Audit Wales reports</p>	<p>Review of collaboration of emergency services in Wales.</p> <p>Review of the collaboration between the four Welsh forces. Audit findings were shared with the Welsh forces in Summer 2020. We have concluded that arrangements are in place to support good governance and the efficient, effective and economic use of resources for the collaboration between Welsh Police Forces, however there are aspects of these arrangements that could benefit from a number of processes being clarified and formalised.</p>
<p>Internal audit reports</p>	<p>During 2020/21 the internal auditors, TIAA, undertook 22 audits of which 13 were assessed as providing substantial assurance, six with reasonable assurance and one report in which the assessment was limited assurance.</p> <p>The Head of Internal Audit opinion was: In my opinion, The Police and Crime Commissioner and the Chief Constable have adequate and effective management, control and governance processes in place to manage the achievement of their objectives for the areas reviewed during the year.</p>
<p>Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Inspection reports</p>	<p>At the time of our audit work, no HMICFRS Inspection reports had been issued relating to the period under review.</p>

<p>Have auditors identified any indications that proper arrangements may not be in place from a review of the following sources during the course of their normal audit work?</p>	<p>Findings and conclusion</p> <p>Based on findings below there are no indications that proper arrangements may not be in place.</p>
<p>Review of key papers e.g. strategies, plans, meeting papers, etc</p>	<p>A review of the key papers is carried out as part of our audit process. We consider if the Financial Statements and the Annual Governance Statement are consistent with the information we have gathered from these sources.</p>
<p>Budget reporting</p>	<p>The Medium-Term Financial Strategy 2021-22 to 2025-26 outlines budget requirements and spending expectations. This strategy is (4 year forward view) refreshed annually to ensure forthcoming funding shortfalls are identified early and corrective action taken thus ensuring resources match planned expenditure.</p>

The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies, assesses compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and may undertake special inspections under the Local Government & Elections (Wales) Act 2021.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

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.

This document is also available in Welsh.

Date 8th December 2021

ITEMS FOR INFORMATION

1. **SEALING OF DOCUMENTS**

The following documents have been sealed since those reported on in the last report dated 31st March 2021

<u>No of Seal</u>	<u>Nature of Document</u>
246 + 247	Lease of Llanddonna Radio Station (1) PCC for North Wales (2) SoS for Housing Communities and Local Government in duplicate
248 + 249	JCT contract in duplicate (1) PCC for North Wales (2) R.L Davies & Son Ltd re: new build of Training Facility at Rhewl Firing Range
250	Transfer between (1) PCC for North Wales (2) Wendy Whittle re: former police station at Benllech
251-274	Plans – Lease of a site at Llanddona Radio Station for the installation of telecoms equipment (1) PCC for North Wales (2) SoS for Housing Communities and Local Government

2. **PROPERTY TRANSACTIONS**

Since those reported in the last report dated 31st March 2021 there have been two property transactions

Lease of a site at Llanddona Radio Station between (1) PCC for North Wales and (2) Sos for Housing Communities and Local Communities and Local Government for the installation of telecoms equipment dated 20th August 2021

Lease of office space at Cranfield University, Bedfordshire (acquired by the PCC on behalf of FCIN) between (1) PCC for North Wales (2) Cranfield University dated 20th September 2021.

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>	<u>Tenderers</u>	
151	Appropriate Adult Services	1	The Appropriate Adult Service Ltd
152	Locker Supply Installation	1	Garran Lockers Ltd
		2	Genseys Office Furniture
		3	H Jenkinson & Co Limited
		4	Viral Touch
153	Covert Armour	1	No responses
154	Managed Vehicle Recovery Service	1	Automobile Association Developments Ltd
		2	FMG Support Group Ltd
		3	GRG Public Resources Ltd
155	PSU Helmets	1	Deenside Ltd
156	CCTV Replacement Service and Maintenance	1	ADT Fire & Security
		2	AjarTec Ltd (Ajar Technology)
		3	Crime Prevention Services
		4	MSI Alarms Ltd
		5	Northwest Security Services Ltd
		6	Openview Security Solutions Ltd
		7	Snowdonia Fire Protection Ltd
157	CCTV Replacement Service and Maintenance	1	ADT Fire & Security
		2	AjarTec Ltd (Ajar Technology)

		3	Crime Prevention Services
158	Mobile Policing Application 44016	1	Airpoint International Ltd
		2	Black Marble Ltd
		3	CGI IT UK Ltd
		4	Coeus Software Ltd t/a PoliceBox
		5	HCL Technologies UK Ltd
		6	Insight Direct (UK) Ltd
		7	MiG Security and Events Ltd
		8	Motorola Solutions Ltd
		9	Triple Ps Ltd
		10	Xenium Solutions Ltd
159	Reactive & Planned Maintenance Building Works	1	Bodacc Ltd
		2	Gwylim Parry & Son Ltd
		3	R Roberts & Son
		4	W R Peters Ltd
160	Reactive & Planned Maintenance Electrical Works	1	Bebbington & Wilson Ltd
		2	Fred Western Electrical Contractors Ltd
		3	Lloyd Morris Electrical Ltd
		4	Owen & Palmer Ltd
161	VCC Car park & Building extension	1	Brenig Construction
		2	Elate Construction Ltd
		3	Housing Maintenance Solutions
		4	ParkCity Multitrade Ltd
		5	R L Davies & Son Ltd
162	Pre-Qualification tenders for ICT Managed Workplace Services	1	ATOS IT Services UK Ltd
		2	BT Plc
		3	Capita Business Solutions
		4	CDW Ltd

		5	CGI IT UK Ltd
		6	Little Fish (UK) Ltd
		7	Risual Ltd
		8	Verdict Media PCC
		9	Vysion Ltd
163	Pre-Qualification ICT Enterprise Communication Services	1	BT Plc
		2	Capita Business Services
		3	CGI IT UK Limited
		4	North PB Ltd
		5	Six Degrees Technology Group
		6	Telent Technology Services Ltd
		7	Verdict Media plc
		8	Virgin Media Business Ltd
164	Pre-Qualification ICT Enterprise Systems Services	1	Atos IT Services UK Ltd
		2	BT Plc
		3	CACI Ltd
		4	Capita Business Services
		5	CDW Ltd
		6	CGI IT UK Ltd
		7	Exponential-e Ltd
		8	Mobilise Cloud Services Ltd
		9	Risual Ltd
		10	Six Degrees Technology Group
		11	Vysion Ltd
165	VCC Building Alterations	1	Brenig Construction
		2	Elate Construction Ltd
		3	Housing Maintenance Solutions Ltd
		4	ParkCity Multitrade Ltd
		5	R L Davies & Son Ltd

166	Unit 31 Training School Refurbishment	1	Elate Construction Ltd
		2	NWPS Construction Ltd
		3	ParkCity Multitrade Ltd
		4	RELM Group Ltd
167	Dolgellau Police Station – New platform Lift	1	A1 Access Lifts Ltd

4. SEALED BIDS

None

5. WAIVERS OF STANDING ORDERS

Power Apps Suite Support

Laser Scanners

ScenePro unit for FCIN

Since those reported in the last report dated 31st March 2021

It should be noted that this report is complete as at 30th September 2021 the date it was completed.

Civil Claims and Employment cases for the period 1st April – 30th September 2021

The Assistant Force Solicitor, Sarah Hughes manages, handles and oversees all Public Liability and Employers' Liability civil claims issued against North Wales Police.

1. INTRODUCTION

The purpose of this report is to provide

- 1) details of the number of Public Liability and Employers' Liability claims made against the Force in each financial year.
- 2) provide a view of any emerging trends.
- 3) provide details of monies paid out in settlement in each financial year.

BACKGROUND

The Civil Procedure Rules (CPR) apply to the conduct of civil cases in England and Wales. Under the Pre-Action Protocol set out in the Rules any prospective claimant is required to serve a letter of claim upon North Wales Police as respondent setting out their claim in full. Accordingly, all claims received by North Wales Police usually comprise a letter of claim alleging a head of damage and requesting compensation. It is a breach of the procedural rules, for proceedings to be issued outside the rules of the pre-action protocol. However it is not uncommon.

Employers' Liability Claims

Employers' Liability claims are those received from employees of the Force (officers and staff) and comprise Personal Injury claims arising out of loss or injury sustained during the course of duty or employment.

Public Liability Claims

Public Liability claims are claims submitted by members of the public. Such claims can comprise allegations of unlawful arrest, false imprisonment, unlawful use of force, damage to property and malicious prosecution.

Vehicle Claims

Vehicle Accident claims are handled by our insurers and our Fleet Department. Any litigated matters are overseen by the Assistant Force Solicitor as from 1st March 2013. Data held in relation to such claims is held by the Fleet Department.

Legal Department Resilience**Employers' Liability**

Our Insurers handle such claims which are overseen by the Assistant Force Solicitor. Some claims are outsourced by Zurich and Gallagher Bassett in the event they become litigated. However all incidents which occur after 1st April 2017 will be dealt with in-house by the Legal Department. This has been agreed with our insurers.

Public Liability

All claims are dealt with and managed by the Assistant Force Solicitor. A minority of these claims are outsourced in the event they become litigated or involve a specialist input. All are overseen by the Force Solicitor.

D E T A I L

From 1st April – 30th September 2021 **22** letters of claim were received in the Legal Department of which **one** was Employers' Liability claim and **21** were Public Liability claims.

The table below, where marked red, shows the total number of claims received during the period 1st April – 30th September 2021. Proceedings have been issued in respect of one of the claims received in the last six months.

(TABLE 1) - TOTAL NUMBER OF CLAIMS RECEIVED

Year	Employers' Liability	Public Liability	Total
2016/2017	3	50	53
2017/2018	5	52	57
2018/2019	5	49	54
2019/2020	7	41	48
2020/2021	6	43	49
2021/2022	1	21	22

**Details of Public Liability claims received during
1st April – 30th September 2021 following on from a complaint**

Claims received following a complaint	Complaint results	Civil Claim results
9	1 complaint upheld 3 complaints partly upheld 4 complaints not upheld 1 complaint ongoing	5 claims defended 1 claim settled 3 claims are being investigated

(TABLE 2) - TOTAL NUMBER OF LIVE CLAIMS

There are currently live on-going claims being dealt with in the Legal Department. It must be noted that incidents may have occurred in previous years.

The table below shows the number of 'active' claims set against the actual incident year. (An active claim is a claim that remains live and is not yet determined).

Year of Incident	Employers' Liability	Public Liability
1982/1983	0	1
1999/2000	0	1
2012/2013	0	2
2013/2014	1	2
2014/2015	1	1
2015/2016	0	0
2016/2017	0	0
2017/2018	0	1
2018/2019	3	4
2019/2020	2	10
2020/2021	1	11
2021/2022	0	7
TOTAL	8	40
TOTAL NUMBER OF LIVE EMPLOYERS' AND PUBLIC LIABILITY CLAIMS:		48

CURRENT POSITION ON LIVE CIVIL CLAIMS

	Employers' Liability	Public Liability
Proceedings issued	1	8
Claims successfully rebutted but not yet closed	0	15
Claims not yet resolved	7	13
Claims still being investigated/complaints ongoing	1	12

(TABLE 3) - EMPLOYERS' LIABILITY CLAIMS

The table below demonstrates the categories of Employers' Liability claims received during the last six years.

Type of Claim Received	16/17	17/18	18/19	19/20	20/21	21/22
Slips/Trips/Falls	3	1	2	5	3	1
Stress/Bullying	0	0	0	0	0	0
RSI	0	0	0	0	0	0
Hearing Loss	0	0	0	0	0	0
Injury whilst on training course	0	1	3	0	0	0
Other	3	2	0	2	2	0
Injuries to finger/hand	0	1	0	0	1	0
Total	6	5	5	7	6	1

Commentary

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

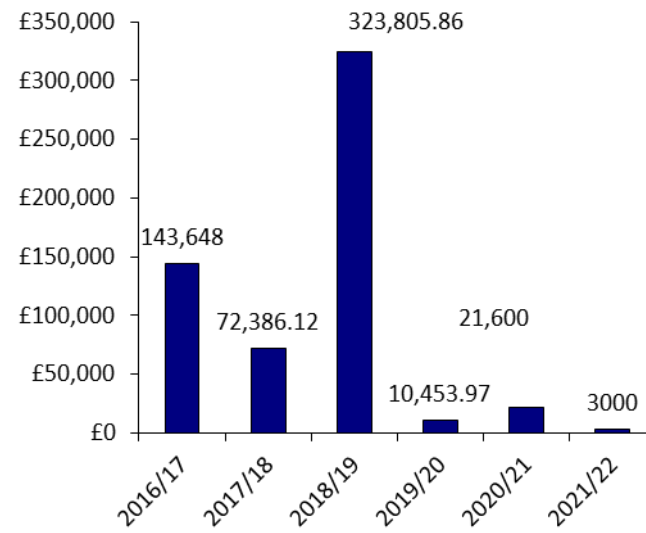
(TABLE 4) – PUBLIC LIABILITY CLAIMS

The table below demonstrates the most frequently claimed heads of damage of Public Liability claims received during the last six years. There may be one or more heads of damage in one claim hence the figures do not represent the number of claims received as per Table 1 (previous).

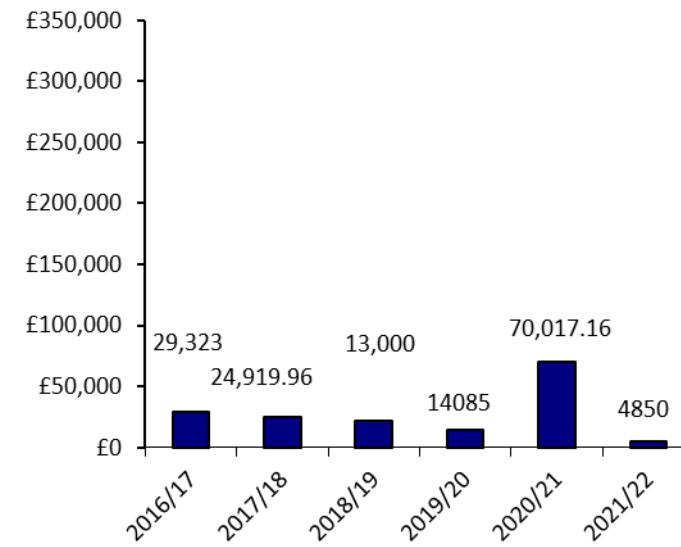
Type of Claim Received	16/17	17/18	18/19	19/20	20/21	21/22
Assault/Battery	11	5	4	3	9	7
Consequential Loss	1	3	0	2	0	1
False Imprisonment	18	8	14	11	12	9
Malicious Prosecution	5	2	0	1	3	4
Negligence	4	4	6	11	4	3
Other	24	23	13	12	21	12
Property Damage/seizure	17	21	24	18	14	4
Trespass to Person	0	3	2	2	4	4
Trespass to Property	6	1	4	2	6	1
Unlawful Arrest	11	4	2	6	6	8
Total	97	74	69	68	79	53

Compensation awarded to Claimants between 1st April – 30th September 2021

Employers' Liability Claims



Public Liability Claims



**Costs paid to Claimants' Solicitors in relation to settled claims
between 1st April – 30th September 2021**

Employers' Liability Claims	Public Liability Claims
£2364.00	£1820.40

**North Wales Police's legal costs in relation to settled civil claims
finalised between 1st April – 30th September 2021**

Employers' Liability Claims	Public Liability Claims
£0.00	£0.00

CRU and NHS Payments

Employers' Liability Claims	Public Liability Claims
£743.00	£0.00

Breakdown of claims settled between 1st April - 30th September 2021

Category	Claim	Number of claims settled
Employers' Liability	Personal injury	1

Category	Claim	Number of claims settled
Public Liability	False imprisonment	2
Public Liability	Breach of Human Rights Act	1
Public Liability	Damage to property	2

TOTAL NUMBER OF CIVIL CLAIMS CLOSED

The table below provides details of the number of claims which have been 'closed' since 2015. The table provides details of claims settled and where no settlement has been paid out together with the total for each year.

1st April – 31st March	Settled Claims	No settlements paid	Total closed
2015/2016	13	40	53
2016/2017	10	24	34
2017/2018	20	42	62
2018/2019	15	53	68
2019/2020	16	39	55
2020/2021	20	38	58
2021/2022	6	21	27

As you will see the number of claims “rebutted” where no monies have been paid out usually exceeds those where monies have been paid. These figures reflect the robust stance taken by the Legal Department in relation to the defence of civil claims generally.

Number of Civil Claims Outsourced

Employers' Liability Claims

Year	Number of Claims Received	Number of Claims Outsourced
2016/2017	6	1
2017/2018	5	0
2018/2019	5	0
2019/2020	7	0
2020/2021	6	0
2021/2022	1	0

Public Liability Claims

Year	Number of Claims Received	Number of Claims Outsourced
2015/2016	33	3
2016/2017	50	0
2017/2018	52	2
2018/2019	49	0
2019/2020	41	0
2020/2021	43	0
2021/2022	21	0

Employment Matters

Details of Live Employment Claims

Received	Details of Live Claims
2015/2016	<p>499 x Age Discrimination (Pension)</p> <p>These claims are being dealt with nationally and it is anticipated that the Home Office will amend the Regulations to remove the discrimination.</p>
2018/2019	<p>1 x Race Discrimination</p> <p>Ongoing.</p>
2020/2021	<p>2 x Disability Discrimination</p> <p>Ongoing.</p> <p>1 x Race, Sex and Sexual Orientation</p> <p>Ongoing.</p>
2021/2022	<p>1 x Indirection Sex Discrimination and Whistleblowing</p> <p>Ongoing.</p>

Joint Audit Committee

Meeting Date: 8 December 2021

Title:	Joint Governance Board
Author:	Kate Jackson, Chief Finance Officer
Purpose of the report:	Update
The report is provided to JAC for: (tick one)	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Assurance <input checked="" type="checkbox"/> X Information
Summary / Key Points:	<ul style="list-style-type: none"> • A member of JAC was in attendance at the meeting held on 28 October 2021. • The Board received information regarding lessons learned from employment tribunals. • A case study was presented: Governance Structure Process to Decision – IT Sourcing Strategy
Recommendations:	<ul style="list-style-type: none"> • For members of the Joint Audit Committee to note the work of the Joint Governance Board. • For members of the Joint Audit Committee to be aware that they have a standing invitation to attend Joint Governance Board, and that meeting papers and minutes will be provided to them on request.
Risk register impact:	The way risk is managed is integral to good governance and is considered within the Governance Framework
Assurance implications:	<p>The Joint Governance Board is to oversee changes to assurance arrangements following the Governance Review undertaken in 2019/20.</p> <p>The Joint Governance Board is to oversee any future changes to the Manual of Governance.</p>
Equality Impact:	None
Information exempt from disclosure:	None



JOINT AUDIT COMMITTEE

8 December 2021

Joint Governance Board

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



1. Background

- 1.1. A Joint Governance Board was originally formed in 2014 to document the governance arrangements in both the Office of the Police and Crime Commissioner and North Wales Police Force.
- 1.2. The Board meets four times each year, and a work programme has been prepared.
- 1.3. Members of the Joint Audit Committee have a standing invitation to attend the meeting; the Chair of the Committee and one member attended on 28 October 2021, who contributed at the meeting.

2. Recommendations

- 2.1. For members of the Joint Audit Committee to note the work of the Joint Governance Board.
- 2.2. For members of the Joint Audit Committee to be aware that they have a standing invitation to attend Joint Governance Board, and that meeting papers and minutes will be provided to them on request. Future meeting dates are:
 - 1 March 2022 at 10am
 - 22 June 2022 at 10am
 - 7 September 2022 at 10am
 - 9 November 2022 at 10am

3. Work of the Joint Governance Board

- 3.1. At the meeting held on 28 October 2021, the following were discussed:

3.1.1. Employment tribunal lessons learned

- The Force Solicitor advised that, while North Wales Police compares well with other forces, there had been a recent increase in employment tribunals, with six or seven in progress at the same time.
- It was noted that a number of recent claims related to discrimination, and of those most related to disability discrimination. A common theme with these was office

moves, where some deficiencies in the process were identified. To resolve this, in future, all relevant parties are to be involved to ensure that the implications of the proposed move are understood.

- Other themes included poor performance, record keeping, and software and license renewals. The Joint Audit Committee member observed that on occasion managers might not feel they have to correct tools to deal with performance issues, and asked what measures and training can be put in place in order to resolve issues at an earlier stage so that an employment tribunal might not be needed. The Force Solicitor advised that training is being rolled out, but monitoring is required to ensure that managers are clear at which point a matter would need to be handled by HR.

3.2.2 Case Study: Governance structure process to decision – IT sourcing strategy

The Head of IT made a presentation to show the governance on this programme.

The Director of Finance and Resources noted that once the process was complete, the Police and Crime Commissioner is required to record and then publish the outcome as a decision notice, due to the significant and substantial nature of this decision, and that it is a matter of public interest.

3.2.2 Internal and external audit

Progress on audit recommendations was discussed.

It was noted that three internal audit reports were being reviewed, and a further five draft reports were expected imminently.

3.2.3 Client briefing notes and fraud alerts

The Director of Finance and Resources provided information on these, and explained that the one action which was showing as open within the report was closed on 28 October 2021.

- 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 1 March 2022.

4. IMPLICATIONS

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

Report Author

Kate Jackson

Chief Finance Officer, OPCC

Joint Audit Committee

Meeting Date: 8 December 2021

Title:	Semi-annual Treasury Management Report 2021-22
Author:	Chief Finance Officer
Purpose of the report:	To report on the performance of the treasury management function
The report is provided to JAC for: (tick one)	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Information
Summary / Key Points:	<ul style="list-style-type: none"> • The CIPFA's Treasury Management (TM) in the Public Services' Code of practice requires a report on performance of the TM function to be considered at least twice a year. • It contains a summary of TM activity undertaken in the first six months of 2021-22. • It deals with the investment of surplus cash and any borrowing requirements. • It highlights whether or not any limits or indicators were breached. In the 6 months relevant to this report, no statutory indicators were breached. • The wording in the 2021-22 Capital Strategy was amended to formalise the policy around minimal breaches of the voluntary liquidity indicator (see Section 9).
Recommendations:	The report is submitted to the Joint Audit Committee for information and comment, and to provide further assurance prior to submission to the Police and Crime Commissioner
Risk register impact:	No impact – the arrangements are designed to manage the risk from investing and borrowing.
Assurance implications:	The report sets out the performance against agreed rules and limits for investing and borrowing money per the TM Strategy in place for 2021-22
Equality Impact:	No impact.
Information exempt from disclosure:	No exempt information.

Treasury Management Outturn Report April 2021 to September 2021

1. Introduction

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

The Police and Crime Commissioner's treasury management strategy for 2021/22 was formally adopted as part of its Capital Strategy on 31st March 2021 by the Commissioner following scrutiny by the Joint Audit Committee on the 30th March 2021. The Police and Crime Commissioner has borrowed and 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.

Further information on the economic outlook and external context are attached in Appendix A.

2. Local Context

On 31st March 2021, the Police and Crime Commissioner had net investments of £21.9m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.21 Actual £m	2020-21 Benchmark £m
General Fund CFR	30.0	33.9
Less: *Other debt liabilities	(9.1)	(9.1)
Borrowing CFR	20.9	24.8
Less: External borrowing	(9.4)	# (14.8)
Internal borrowing	11.5	10.0
Less: Usable reserves	(33.0)	(20.2)
Plus: Working capital	(0.4)	0.2
Total investments	(21.9)	# (10.0)

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

to maintain minimum investment benchmark of £10m

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

The treasury management position on 30th September 2021 and the change over the six months is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.21 Balance £m	Movement £m	30.9.21 Balance £m	30.9.21 Rate %
Long-term borrowing	9.4	(0.3)	9.1	1.25
Short-term borrowing	0.0	0.0	0.0	0
Total borrowing	9.4	(0.3)	9.1	1.25
Long-term investments	0.0	0.0	0.0	0
Short-term investments	(6.0)	(20.0)	(26.0)	(0.01)
Cash and cash equivalents	(15.9)	(0.2)	(16.1)	(0.03)
Total investments	(21.9)	(20.2)	(42.1)	(0.02)
Net borrowing / (investments)	(12.5)	(20.5)	(33.0)	1.23

Cash flow is notoriously uneven throughout the financial year due to the contribution from the Home Office towards Police Pensions being paid in one lump sum in July (circa £20m).

3. Borrowing Update

Police and Crime Commissioners can borrow from the PWLB provided they can confirm they are not planning to purchase ‘investment assets primarily for yield’ in the current or next two financial years, with confirmation of the purpose of capital expenditure from the Section 151 Officer. Police and Crime Commissioners that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing.

Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management.

Competitive market alternatives may be available for Police and Crime Commissioners with or without access to the PWLB. However, the financial strength of the individual Police and Crime Commissioner and borrowing purpose will be scrutinised by commercial lenders. Further changes to the CIPFA Prudential Code, expected in December 2021, are likely to prohibit borrowing for the primary purpose of commercial return even where the source of borrowing is not the PWLB.

The Police and Crime Commissioner is not planning to purchase any investment assets primarily for yield within the next three years and so is able to fully access the PWLB.

4. Borrowing Strategy during the period

At 30th September 2021 the Police and Crime Commissioner held £9.1m of loans, (a decrease of £0.3m to 31st March 2021), as part of its strategy for funding previous and current years’ capital programmes. Outstanding loans on 30th September are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.21 Balance £m	Net Movement £m	30.9.21 Balance £m	30.9.21 Weighted Average Rate %	30.9.21 Weighted Average Maturity (years)
Public Works Loan Board	9.4	(0.3)	9.1	1.25	17.0
Local authorities (short-term)	0.0	0.0	0.0	-	-
Total borrowing	9.4	(0.3)	9.1	1.25	17.0

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 has an increasing CFR due to the capital programme and an estimated borrowing requirement as determined by the Liability Benchmark which also takes into account usable reserves and working capital. The Police and Crime Commissioner has borrowed a total of £10m longer-term fixed rate loans, details of which are below. These loans provide some longer-term certainty and stability to the debt portfolio.

Long-dated Loans borrowed:	Amount £m	Rate %	Period (Years)
PWLB EIP Loan 1 dated 16.8.19	5.00	1.25	20
PWLB EIP Loan 2 dated 3.10.19	5.00	1.25	20

PWLB funding margins have lurched quite substantially and there remains a strong argument for diversifying funding sources, particularly if rates can be achieved on alternatives which are below gilt yields plus 0.80%. The Police and Crime Commissioner will evaluate and pursue these lower cost solutions and opportunities with its advisor Arlingclose.

5. Other Debt Activity

Although not classed as borrowing, the Police and Crime Commissioner has one long-term contractual agreement under PFI (Private Finance Initiative). On 31st March 2021 total debt other than borrowing stood at £9.1m, taking total debt to £18.5m. An estimate of total debt at 30th September 2021 is £17.8m.

6. Treasury Investment Activity

The Police and Crime Commissioner holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the six-month period, the Police and Crime Commissioner's investment balances ranged between £14.9m and £47.0m due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.21 Balance £m	Net Movement £m	30.9.21 Balance £m	30.9.21 Rate of Return %	30.9.21 Weighted Average Maturity days
Banks & building societies (unsecured) – including 31 day notice account with HSBC	15.9	0.2	16.1	0.03	0.19
Government (incl. local authorities)	6.0	20.0	26.0	0.01	17.22
Total investments	21.9	20.2	42.1	0.02	17.42

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.

Ultra low short-dated cash rates which have been a feature since March 2020 when Bank Rate was cut to 0.1% have resulted in the return on sterling low volatility net asset value money market funds (LVNAV MMFs) being close to zero even after some managers have temporarily waived or lowered their fees. At this stage net negative returns are not the central case of most MMF managers over the short-term, and fee cuts or waivers should result in MMF net yields having a floor of zero, but the possibility cannot be ruled out.

Deposit rates with the Debt Management Account Deposit Facility (DMADF) are also largely around zero.

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

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

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
31.03.2021	4.45	AA-	74%	5	0.02%
30.09.2021	4.22	AA-	45%	12	0.02%
Similar LAs	4.45	AA-	75%	22	0.73%
All LAs	4.69	A+	69%	10	2.35%

The Police and Crime Commissioner has budgeted £100k income from these investments in recent years. However, the current projection for investment income is £6k in 2021/22, which is similar to the level of actual investment income received in 2020/21.

7. Non-Treasury Investments

The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in the Investment Guidance issued by Ministry of Housing, Communities and Local Government's (MHCLG) and Welsh Government, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

The Police and Crime Commissioner hasn't held any non-treasury investments in the first 6 months of 2021/22.

8. Compliance

The Chief Finance Officer reports that all treasury management activities undertaken during the quarter 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 demonstrated in table 7 below.

Table 7: Debt Limits

	H1 Maximum £m	30.9.21 Actual £m	2021/22 Operational Boundary £m	2021/22 Authorised Limit £m	Complied? Yes/No
Borrowing	9.4	9.1	25.9	27.9	-
PFI and Finance Leases	9.1	8.7	# 8.2	# 8.2	-
Total debt	18.5	17.8	34.1	36.1	Yes

based on year-end position

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

	H1 Maximum £m	30.9.21 Actual £m	2021/22 Limit £m	Complied? Yes/No
Any single organisation, except the UK Government	4.0	4.0	7.0	Yes
HSBC (being the Commissioner's bankers)	9.8	8.1	10.0	Yes

9. 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 value-weighted average credit rating of its investment portfolio.

	30.9.21 Actual	2021/22 Target	Complied?
Portfolio average credit rating	AA-	A-	Yes

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

	H1 Minimum	30.9.21 Actual	2021/22 Target	Complied?
Minimum cash available overnight	-	£16.1m	£10m	Yes
Lower limit for a maximum of 14 days	£10.0m	-	£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:

	30.9.21 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	3.87%	100%	0%	Yes
12 months and within 24 months	8.16%	100%	0%	Yes
24 months and within 5 years	27.34%	100%	0%	Yes
5 years and within 10 years	36.04%	100%	0%	Yes
10 years and above	24.59%	100%	0%	Yes

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

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

	2021/22	2022/23	2023/24
Actual principal invested beyond year end	£0m	£0m	£0m
Limit on principal invested beyond year end	£5m	£3m	£1m
Complied?	Yes	Yes	Yes

10. Revisions to CIPFA Codes

In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These followed the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. In June, CIPFA provided feedback from this consultation.

In September CIPFA issued the revised Codes and Guidance Notes in draft form and opened the latest consultation process on their proposed changes. The changes include:

- Clarification that (a) local authorities must not borrow to invest primarily for financial return (b) it is not prudent for 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.
- Categorising investments as those (a) for treasury management purposes, (b) for service purposes and (c) for commercial purposes.
- Defining acceptable reasons to borrow money: (i) financing capital expenditure primarily related to delivering a local Police and Crime Commissioner's functions, (ii) temporary management of cash flow within the context of a balanced budget, (iii) securing affordability by removing exposure to future interest rate rises and (iv) refinancing current borrowing, including replacing internal borrowing.
- For service and commercial investments, in addition to assessments of affordability and prudence, an assessment of proportionality in respect of the Police and Crime Commissioner's overall financial capacity (i.e. whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services).
- Prudential Indicators
 - New indicator for net income from commercial and service investments to the budgeted net revenue stream.
 - Inclusion of the liability benchmark as a mandatory treasury management prudential indicator. CIPFA recommends this is presented as a chart of four balances – existing loan debt outstanding; loans CFR, net loans requirement, liability benchmark – over at least 10 years and ideally cover the Police and Crime Commissioner's full debt maturity profile.
 - Excluding investment income from the definition of financing costs.
- Incorporating ESG issues as a consideration within TMP 1 Risk Management.
- Additional focus on the knowledge and skills of officers and elected members involved in decision making

Arlingclose's Economic Outlook for the remainder of 2021/22 (based on the October 2021 interest rate forecast)

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.00	0.15	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Case	0.10	0.10	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	0.15	0.15	0.15	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

Arlingclose expects Bank Rate to rise in Q2 2022. We believe this is driven as much by the Bank of England's desire to move from emergency levels as by fears of inflationary pressure.

Investors have priced in multiple rises in Bank Rate to 1% by 2024. While Arlingclose believes Bank Rate will rise, it is by a lesser extent than expected by markets.

The global economy continues to recover from the pandemic but has entered a more challenging phase. The resurgence of demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. This is particularly apparent in the UK due to the impact of Brexit.

While Q2 UK GDP expanded more quickly than initially thought, the 'pingdemic' and more latterly supply disruption will leave Q3 GDP broadly stagnant. The outlook also appears weaker. Household spending, the driver of the recovery to date, is under pressure from a combination of retail energy price rises, the end of government support programmes and soon, tax rises. Government spending, the other driver of recovery, will slow considerably as the economy is taken off life support.

Inflation rose to 3.2% in August. A combination of factors will drive this to over 4% in the near term. While the transitory factors affecting inflation, including the low base effect of 2020, are expected to unwind over time, the MPC has recently communicated fears that these transitory factors will feed longer-term inflation expectations that require tighter monetary policy to control. This has driven interest rate expectations substantially higher.

The supply imbalances are apparent in the labour market. While wage growth is currently elevated due to compositional and base factors, stories abound of higher wages for certain sectors, driving inflation expectations. It is uncertain whether a broad-based increase in wages is possible given the pressures on businesses.

Government bond yields increased sharply following the September FOMC and MPC minutes, in which both central banks communicated a lower tolerance for higher inflation than previously thought. The MPC in particular has doubled down on these signals in spite of softer economic data. Bond investors expect higher near-term interest rates but are also clearly uncertain about central bank policy.

The MPC appears to be playing both sides, but has made clear its intentions to tighten policy, possibly driven by a desire to move away from emergency levels. While the economic outlook will be challenging, the signals from policymakers suggest Bank Rate will rise unless data indicates a more severe slowdown.

External Context

Economic background: The economic recovery from coronavirus pandemic continued to dominate the first half of the financial year. By the end of the period over 48 million people in the UK had received their first dose of a COVID-19 vaccine and almost 45 million their second dose.

The Bank of England (BoE) held Bank Rate at 0.1% throughout the period and maintained its Quantitative Easing programme at £895 billion, unchanged since the November 2020 meeting. In its September 2021 policy announcement, the BoE noted it now expected the UK economy to grow at a slower pace than was predicted in August, as the pace of the global recovery had shown signs of slowing and there were concerns inflationary pressures may be more persistent. Within the announcement, Bank expectations for GDP growth for the third (calendar) quarter were revised down to 2.1% (from 2.9%), in part reflecting tighter supply conditions. The path of CPI inflation is now expected to rise slightly above 4% in the last three months of 2021, due to higher energy prices and core goods inflation. While the Monetary Policy Committee meeting ended with policy rates unchanged, the tone was more hawkish.

Government initiatives continued to support the economy over the quarter but came to an end on 30th September 2021, with businesses required to either take back the 1.6 million workers on the furlough scheme or make them redundant.

The latest labour market data showed that in the three months to July 2021 the unemployment rate fell to 4.6%. The employment rate increased, and economic activity rates decreased, suggesting an improving labour market picture. Latest data showed growth in average total pay (including bonuses) and regular pay (excluding bonuses) among employees was 8.3% and 6.3% respectively over the period. However, part of the robust growth figures is due to a base effect from a decline in average pay in the spring of last year associated with the furlough scheme.

Annual CPI inflation rose to 3.2% in August, exceeding expectations for 2.9%, with the largest upward contribution coming from restaurants and hotels. The Bank of England now expects inflation to exceed 4% by the end of the calendar year owing largely to developments in energy and goods prices. The Office of National Statistics' (ONS') preferred measure of CPIH which includes owner-occupied housing was 3.0% year/year, marginally higher than expectations for 2.7%.

The easing of restrictions boosted activity in the second quarter of calendar year, helping push GDP up by 5.5% q/q (final estimate vs 4.8% q/q initial estimate). Household consumption was the largest contributor. Within the sector breakdown production contributed 1.0% q/q, construction 3.8% q/q and services 6.5% q/q, taking all of these close to their pre-pandemic levels.

The US economy grew by 6.3% in Q1 2021 (Jan-Mar) and then by an even stronger 6.6% in Q2 as the recovery continued. The Federal Reserve maintained its main interest rate at between 0% and 0.25% over the period but in its most recent meeting made suggestion that monetary policy may start to be tightened soon.

The European Central Bank maintained its base rate at 0%, deposit rate at -0.5%, and asset purchase scheme at €1.85 trillion.

Financial markets: Monetary and fiscal stimulus together with rising economic growth and the ongoing vaccine rollout programmes continued to support equity markets over most of the period,

albeit with a bumpy ride towards the end. The Dow Jones hit another record high while the UK-focused FTSE 250 index continued making gains over pre-pandemic levels. The more internationally focused FTSE 100 saw more modest gains over the period and remains below its pre-crisis peak.

Inflation worries continued during the period. Declines in bond yields in the first quarter of the financial year suggested bond markets were expecting any general price increases to be less severe, or more transitory, than was previously thought. However, an increase in gas prices in the UK and EU, supply shortages and a dearth of HGV and lorry drivers with companies willing to pay more to secure their services, has caused problems for a range of industries and, in some instances, led to higher prices.

The 5-year UK benchmark gilt yield began the financial year at 0.36% before declining to 0.33% by the end of June 2021 and then climbing to 0.64% on 30th September. Over the same period the 10-year gilt yield fell from 0.80% to 0.71% before rising to 1.03% and the 20-year yield declined from 1.31% to 1.21% and then increased to 1.37%.

The Sterling Overnight Rate (SONIA) averaged 0.05% over the quarter.

Credit review: Credit default swap spreads were flat over most of the period and are broadly in line with their pre-pandemic levels. In late September spreads rose by a few basis points due to concerns around Chinese property developer Evergrande defaulting but are now falling back. The gap in spreads between UK ringfenced and non-ringfenced entities continued to narrow, but Santander UK remained an outlier compared to the other ringfenced/retail banks. At the end of the period Santander UK was trading the highest at 53bps and Lloyds Bank plc the lowest at 32bps. The other ringfenced banks were trading between 37-39bps and Nationwide Building Society was 39bps.

Over the period Fitch and Moody's upwardly revised to stable the outlook on a number of UK banks and building societies on our counterparty list, recognising their improved capital positions compared to last year and better economic growth prospects in the UK.

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

The successful vaccine rollout programme is credit positive for the financial services sector in general and the improved economic outlook has meant some institutions have been able to reduce provisions for bad loans. While there is still uncertainty around the full extent of the losses banks and building societies will suffer due to the pandemic-related economic slowdown, the sector is in a generally better position now compared to earlier this year and 2020.

At the end of the period Arlingclose had completed its full review of its credit advice on unsecured deposits. The outcome of this review included the addition of NatWest Markets plc to the counterparty list together with the removal of the suspension of Handelsbanken plc. In addition, the maximum duration for all recommended counterparties was extended to 100 days.

As ever, the institutions and durations on the Police and Crime Commissioner's counterparty list recommended by treasury management advisors Arlingclose remain under constant review.

Joint Audit Committee

Meeting Date: 8 DECEMBER 2021

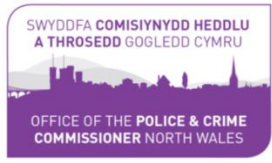
Title:	Compliance with Financial Management Code
Author:	Head of Finance
Purpose of the report:	To provide background of the Financial Management Code and the work carried out to assess compliance.
The report is provided to JAC for: (tick one)	Decision Discussion <input checked="" type="checkbox"/> Assurance <input checked="" type="checkbox"/> Information
Summary / Key Points:	<ul style="list-style-type: none"> • Note background and CIPFA requirement to be compliant by 21-222 <ul style="list-style-type: none"> • Note process followed for review of self-assessment <ul style="list-style-type: none"> • Note that assessed as compliant with code • Areas in development from last year updated and new areas highlighted
Recommendations:	Note that a self-assessment has concluded that North Wale Police is compliant with the FM Code
Risk register impact:	None
Assurance implications:	Assurance against the standards set in the FM Code which sets out principles and standards to assess good financial management.
Equality Impact:	None
Information exempt from disclosure:	No

JOINT AUDIT COMMITTEE

8 DECEMBER 2021

Compliance with the CIPFA Financial Management Code

Report by the Head of Finance



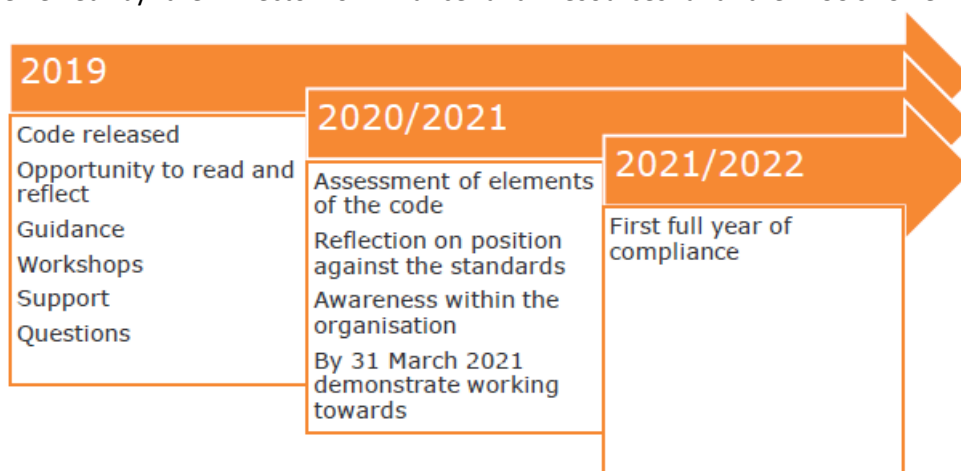
1. Introduction

- 1.1 CIPFA's Financial Management Code (FM Code) was published in October 2019. The FM Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. For the first time the FM Code sets out the standards of financial management for local authorities. Local government finance in the UK is governed by primary legislation, regulation and professional standards as supported by statutory provision. The general financial management of a local authority, however, has not until now been supported by a professional code. The FM Code has been introduced because the exceptional financial circumstances faced by local authorities have revealed concerns about fundamental weaknesses in financial management, particularly in relation to organisations that may be unable to maintain services in the future. So, although the FM Code does not have legislative backing, it applies to all local authorities, including police, fire, combined and other authorities and sets principles and standards that are required for good financial management.
- 1.2 The underlying principles that inform the FM Code have been developed in consultation with senior practitioners from local authorities and associated stakeholders. The principles have been designed to focus on an approach that will assist in determining whether, in applying standards of financial management, a local authority is financially sustainable. The principles set out are:
- Organisational **leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
 - **Accountability** – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
 - Financial management is undertaken with **transparency** at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
 - Adherence to professional **standards** is promoted by the leadership team and is evidenced.
 - Sources of **assurance** are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
 - The long-term **sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.
- 1.3 These principles are assessed against 17 standards, with each standard having a set of key questions (Appendix A, 68 in total). The chart below sets out how the standards are linked to the principles.



1.4 CIPFA'S intention for implementation is set out below with 2021-22 expected to be the first full year of compliance. North Wales Police self-assessed against the standards in 2020-21 and assessed that compliance was already in place prior to 2021-22. Each standard was assessed by the Head of Finance, Financial Accountant and Finance and Resources Business Manager and

reviewed by the Director of Finance and Resources and the PCC's Chief Finance Officer



1.5 The basis of the code is the same for 2021-22 as it was for last year. The assessment was updated to ensure that compliance was still in place and to update or make sure the relevant documentation was available. Initially it was expected that compliance would be externally scrutinised, this is not currently the case, but the review was conducted on this basis with conclusions on standards being backed by documented evidence (collated or sign posted). The evidence has a natural overlap with Wales Audit's Value for Money review.

1.6 A detailed spreadsheet matrix summarising answers against questions has been produced. The following sections will summarise the conclusions for each standard.

2. Summary of compliance with standards

2.1 A. The leadership team is able to demonstrate that the services provided by the authority provide value for money.

Value for Money (VFM) flows through all of NWP's activities. This is one standard that Audit Wales specifically comment on annually and have confirmed that they are satisfied that appropriate arrangements are in place to secure VFM (tbc). A detailed presentation was made to JAC focusing on the HMICFRS in October 2021.

Main Evidence:

Police and Crime Plan and Delivery Plan and Draft of revised Plan
Force Delivery Plan
Annual Planning Cycle/Budget setting documentation
Annual Audit Letter
VFM Frame work
JAC presentation with further details

2.2 B. The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable.

Both CFO's comply with the requirement of the CIPFA Statement in terms of qualification and experience. Compliance is reflected in the Role Profiles. The requirement to have suitably qualified Finance Staff as a resource is also met. Increased demand has resulted in Finance submitting a growth of one post as part of the 2022-23 planning process.

Main Evidence:

Confirmations of qualification at appointment
Role Profiles
Confirmation that both are part of the CC and PCC's senior teams
Finance staffing levels and qualifications

2.3 C. The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.

Sound governance and internal controls are in place, are regularly reviewed and are set out in the Manual of Governance. The Force's governance procedures were reviewed in 2019 and the recommendations have been implemented. The Joint Governance Board is in place to assure proper governance within the organisation and the Annual Governance Statement (AGS) documents the Governance that has been in place for each financial year. Internal Controls are reviewed by Internal and External Audit. The leadership team are fully involved in all these activities.

Main Evidence:

Manual of Governance
Joint Governance Board Agendas
2020-21 Annual Governance Statement
2019 Governance Review and follow up Reports

2.4 D. The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016).

The Governance review was based on this Framework, and the AGS is structured according to the Framework.

Main Evidence:

Joint Governance Board Agendas
Annual Governance Statement
2019 Governance Review and follow up Reports

2.5 E. The financial management style of the authority supports financial sustainability.

This standard is based around delivering accountability, supporting performance and enabling transformation, which in turn leads to supporting financial sustainability. These are covered within the Financial Strategy Objectives. The Manual of Governance and related documents set out the regulations to be followed to ensure accountability. Performance is regularly reported at all levels including executive level and is recorded in the Force Balanced Score card. The annual planning cycle and relevant outputs support transformation; major projects are supported by the Project Management Office and specific Governance Boards.

Main Evidence:

Financial Regulations and Procurement Policy within the Manual of Governance

Performance Reports to the Strategic Executive Board (SEB) and Strategic Management Board (SMB)/ Balance Score Card

Business Plans and Business Cases

Project Governance Boards' agendas

2.6 F. The authority has carried out a credible and transparent financial resilience assessment.

The Medium Term Financial Plan (MTFP) is reviewed annually and spans 5 years. It includes sections on sensitivity analysis, risk assessment and adequacy of reserves. Specific reserves are earmarked for financial resilience (including, for example, Major Incidents Reserve, Ill Health Reserve and Insurance Reserve). Risks are identified and included on the Risk Register and reserves allocated if possible. New reserves have been set up for Training (post COVID catch up) Emergency Service Network (ESN) and COVID recovery.

Main Evidence:

MTFP and supporting Planning Cycle documents

Risk Register

2.7 G. The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.

The Risk Register includes a general risk that there will be 'Inadequate financial resources to deliver service plans', as well as relevant specific risks. There is, and has been, a great deal of uncertainty over future funding. The sensitivity around this was discussed at length during the planning cycle, and consequently two savings levels were set as targets for service and Functional Business Plans. Chief Officers are fully involved in these discussions and sustainability and sensitivity are covered within the MTFP.

The CFO is a member of the Police Service Finance Financial Management Subgroup looking into developing a Financial Resilience Self-Assessment Toolkit. The draft of the toolkit has been assessed and the requirements are in place.

Main Evidence:

Corporate Risk Register

MTFP and supporting Planning Cycle documents

Annual Police and Crime Panel Reports

Area for development

Complete the Financial, Resilience Self Assessment toolkit to be used once available

2.8 H. The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.

The PCC complies with the CIPFA Prudential Code for Capital Finance as set out in the annual Capital Strategy document, which is scrutinised by the Joint Audit Committee (JAC) and subsequently agreed by the PCC. The Prudential Indicators are set as part of this document in the Treasury Management Strategy. Mid-year and end of year reports on performance against the Prudential Indicators are taken to the JAC, and by exception reported to SMB and SEB. Regular meetings are held with Treasury Management advisors to aid compliance with the code. An annual Treasury Management audit is conducted by TIAA (Internal Audit) with the most recent and previous audits receiving the highest possible substantial rating.

One area for development that's been identified is the phasing of the Capital Programme in that there have been delays in the expected expenditure for a number of reasons.

Main Evidence:

Annual Capital Strategy
Mid-year and EOY reports
Minutes of TM meetings with advisors
TM Audit Report

New Area for development:

The phasing of the Capital Programme

2.9 I. The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.

The MTFP is a five year rolling plan with a 10 year reserve projection. The MTFP is based on the Service area plans agreed in the planning cycle. The functional plans are supported by the Digital Transformation Strategy, Estates Strategy, Fleet Strategy and the Capital Strategy.

Main Evidence:

MTFP
Service Level Plans
Business Plans
Functional strategies
Planning cycle documentation

Area for development:

Review 2020-21 planning cycle and agree process for 2021-22

Process reviewed and agreed to follow a similar process for 2022-23 while also focusing on delivery of investments agreed and assessing those for future efficiencies. Discussed at Senior Leader Team March/April and process implemented

Area for development: (new continuous development)

Review 2021-22 planning cycle and agree process for 2022-23

2.10 J. The authority complies with its statutory obligations in respect of the budget setting process.

The PCC complies with statutory obligations and time lines in the budget process. The PCC's CFO sits on budget setting meetings in an observing/advisory capacity. The MTFP confirms a balanced budget and the CFO formally confirms compliance as part of the Police and Crime Panel report.

Main Evidence:

MTFP

Police and Crime Panel Precept setting report

2.11 K. The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.

There is a specific section within the Police and Crime Panel budget and precept setting report confirming the adequacy of reserves and the robustness of the estimates. Budget setting and other reports are provided annually to internal and external auditors as part of various reviews.

Main Evidence:

Police and Crime Panel precept setting report

2.12 L. The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.

External stakeholders - the PCC has engagement with key stakeholders through an annual budget survey, and with Local Authorities via the Police and Crime Panel at the quarterly meeting, in addition to the engagement with the public in 2021 during the PCC's election. Representations are made at Community Councils and other local meetings by NWP officers. Social engagement is regularly conducted. Satisfaction surveys are independently undertaken and reported to the executive Boards.

Issues have arisen with increased and new additional costs of national and regional collaboration and projects.

Internal stakeholders - Service Leads and Function Leads are fully involved in the annual Organisational Planning process (contributing towards all growth and savings plans). This process is led by Corporate Services and supported by Finance, which ensures that it is both operationally and demand led. Senior Leaders are fully engaged in Regional and National policing and other groups.

Main Evidence:

Survey Report

Panel meeting agendas and minutes

SEB and SMB agendas

Web sites and other social media sites

Public Confidence and Satisfaction survey reports

Area for development:

Understanding and challenging the costs of Regional and National collaborations and contributions which have increased in recent years.

A central schedule of all collaboration and contributions is kept which includes source documents to evidence agreements. New charges are discussed at the relevant Boards and are challenged where necessary. Budget now matches costs with no significant increases required for 2022-23.

2.13 M. The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.

The Business Case template is based on the Five Case Model as set out in the HM Treasury's Guide to Developing the Project Business Case. The template also includes a risk section and a procurement check list. A Digital Workplace and Change Board (which is a sub-group of the Strategic Change and Collaboration Board) has been set-up to assess 'Expressions of Interest' and to advise on developing full business cases where approved.

Main Evidence:

Business Case template

Business Cases – Operational Improvement Plan (OIP) highlighted as good practice in 2019-20 Annual Audit letter

Area for development: (c/f to 2022-23)

Continue to promote and support the development of Business Cases

As part of the CIPFA's Achieving Finance Excellence in Policing North Wales Police have access to 5 consultancy days, these are being used to review the business case process focusing on enabling and recording business benefits. This work is due to be completed by the end of January and feeds into the work of the newly created local and All Wales Productivity and Efficiency Boards, and the work of the newly appointed Benefits Realisation Manager.

2.14 N. The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.

Quarterly Finance reports are presented to SEB and SMB highlighting any emerging risks. Service and Functional areas monitor on a monthly basis and report through their Business Managers and Support Accountants. The CFO, DFR and Head of Finance meet monthly to discuss emerging issues. All areas of expenditure and income are projected monthly by Finance, including detailed payroll projections. Operational Performance Reports are prepared by the Management Information and Business Intelligence Team and reported to SMB and SEB quarterly. Benchmarking data is referenced where available.

An example in 2021-22 was the additional demand projected over the summer months (higher and longer than previous years) which was discussed early in the year at several Boards and the

Senior Leaders Forum. Additional overtime was allocated to allow planning of additional resources rather than being reactive.

Main Evidence:

SLF/SLT agenda and documentation
SEB and SMB Finance and Performance Reports
Service Area Budget reports

Area for development:

Engage with HMICFRS (Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services), CIPFA and NPCC (National Police Chiefs Council) to develop meaningful benchmarking data.

HMICFRS VFM profiles assessed and reported to JAC. Engagement ongoing with CIPFA and others on developing benchmarking data.

2.15 O The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.

Earmarked and General Reserves are reviewed as part of the Planning Cycle, with the resulting plan set out in the MTFP, which then determines the detailed reserve strategy. The use of reserves is reported in quarterly Finance reports and are also reviewed and allocated as part of the final outturn report. Pensions, Provisions and Contingent Liabilities are reported separately within the Statement of Accounts.

New reserves and allocation of reserves for future cost 'peaks' created at the end of the year as part of the MTFP and end of year process (Training, Uplift, ESN, Covid and Covid recovery, PEQF)

Main Evidence:

MTFP
Statement of Accounts and outturn reports
Capital Strategy
Pension Fund reports
Quarterly Finance reports

2.16 P. The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.

Both the PCC's CFO and DFR are actively involved in the preparation of the Statement of Accounts, and prepare individual Introductions to the Accounts, as well as signing off the final documents. This responsibility is set out in their post profiles. The accounts for 2020-21 received an unqualified opinion from the external auditors.

Main Evidence:

Statement of Accounts
Annual Audit opinion and annual letter
Post profiles

2.17 Q. The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.

Final outturn figures are produced annually before the end of May following the relevant financial year (12th of May 2021 for 2021-22) . They include explanations of variances and proposed movement in reserves at the end of the year. Over a number of years, the final outturn figures reported at the end of May have not been changed following audit. Decisions are made and documented as part of the outturn report, which is presented to SEB and SMB, or if there are no meetings in May they are presented to the Management Boards. There were no changes to the usable reserve figures from those reported in May 2021 to the signed accounts.

Main Evidence:

SEB and SMB Outturn Reports
Statement of Accounts

3. Summary and conclusion

- 3.1 The review demonstrates that the North Wales Police and Crime Commissioner and Chief Constable are fully compliant with the Financial Management Code. This would be expected for a mature organisation with the areas being covered by the review having been audited and inspected by Wales Audit, Internal Audit and HMICFRS over a number of years. However, there is always room for development, and certain areas have been highlighted as well as updates on the previous year's areas of improvement.
- 3.2 The minimum requirement for the review is to show that the long term sustainability of the organisation is at the heart of the financial management process. This has especially been the case over the last 10 years, where savings of over £38m have been implemented, whilst maintaining a sustainable and stable budget that supports service delivery. This has resulted in a healthy balance sheet which is used to support developments and manage risk. Planning, monitoring and managing processes have been developed involving leaders throughout the organisation, supported by professional standards and reliable and meaningful information. All these principles will need to be maintained and developed to meet the challenges in what is an uncertain future in terms of funding and service delivery.

4 IMPLICATIONS

Diversity	No separate diversity implications
Financial	The report sets out how the PCC and CC comply with Financial Management Code
Legal	There is no specific legislative requirement to comply with the code, but the Code sets out the expected standards for Financial Management.
Risk	Management of Financial risk is considered as part of the report.
Police and Crime Plan	How the Police and Crime Plan is funded is central to the Financial Management Code.

Section 1	The Responsibilities of the Chief Finance Officer and Leadership Team
A	<p>The leadership team is able to demonstrate that the services provided by the authority provide value for money</p> <p>Key Questions</p> <ul style="list-style-type: none"> • Does the authority have a clear and consistent understanding of what value for money means to it and to its leadership team? • Does the authority have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services? • Is the authority able to demonstrate the action that it has taken to promote value for money and what it has achieved?
B	<p>The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government</p> <p>Key Questions</p> <ul style="list-style-type: none"> • Is the authority's CFO a key member of the leadership team, involved in, and able to bring influence to bear on, all material business decisions? • Does the CFO lead and champion the promotion and delivery of good financial management across the authority? • Is the CFO suitably qualified and experienced? • Is the finance team suitably resourced and fit for purpose?
Section 2	Governance and Financial Management Style
C	<p>The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control</p> <p>Key Questions</p> <ul style="list-style-type: none"> • Does the leadership team espouse the Nolan principles? • Does the authority have in place a clear framework for governance and internal control?] • Has the leadership put in place effective arrangements for assurance, internal audit and internal accountability? • Does the leadership team espouse high standards of governance and internal control? • Does the leadership team nurture a culture of effective governance and robust internal control across the authority?
D	<p>The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)</p> <p>Key Questions</p> <ul style="list-style-type: none"> • Has the authority sought to apply the principles, behaviour and actions set out in the Framework to its own governance arrangements? • Does the authority have in place a suitable local code of governance? • Does the authority have a robust assurance process to support its AGS ?

E The Financial Management Style of the authority supports financial sustainability

Key Questions

- Does the authority have in place an effective framework of financial accountability?
- Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?
- Does the authority's finance team have appropriate input into the development of strategic and operational plans?
- Do managers across the authority possess sufficient financial literacy to deliver services cost-effectively and to be held accountable for doing so?
- Has the authority sought an external view on its financial style, for example through a process of peer review?
- Do individuals with governance and financial management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities?

Section 3 Long to Medium Term Financial Management

F The authority has carried out a credible and transparent Financial Resilience Assessment

Key Questions

- Has the authority undertaken a Financial Resilience Assessment?
- Has the Assessment tested the resilience of the authority's financial plans to a broad range of alternative scenarios?
- Has the authority taken appropriate action to address any risks identified as part of the Assessment?

G The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to Members

Key Questions

- Does the authority have a sufficiently robust understanding of the risks to its financial sustainability?
- Does the authority have a strategic plan and long-term financial strategy that address adequately these risks?
- Has the authority sought to understand the impact on its future financial sustainability of the strategic, operational and financial challenges that it might face (e.g. using a technique such as scenario planning)?
- Has the authority reported effectively to the leadership team and to members its prospects for long-term financial sustainability, the associated risks and the impact of these for short- and medium-term decision making?

H The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities

Key Questions

- Has the authority prepared a suitable capital strategy?
- Has the authority set prudential indicators in line with the Prudential Code?
- Does the authority have in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set?

I	The authority has a rolling multi-year Medium Term Financial Plan consistent with sustainable service plans
	Key Questions <ul style="list-style-type: none"> • Does the authority have in place an agreed medium-term financial plan? • Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy? • Has the medium-term financial plan been prepared on the basis of a robust assessment of relevant drivers of cost and demand? • Has the medium-term financial plan been tested for resilience against realistic potential variations in key drivers of cost and demand? • Does the authority have in place a suitable asset management plan that seeks to ensure that its property, plant and equipment including infrastructure assets contribute effectively to the delivery of services and to the achievement of the authority's strategic aims?

Section 4 The Annual Budget

J	The authority complies with its statutory obligations in respect of the budget setting process
	Key Questions <ul style="list-style-type: none"> • Is the authority aware of its statutory obligations in respect of the budget-setting process? • Has the authority set a balanced budget for the current year? • Is the authority aware of the circumstances under which it should issue a Section 114 notice and how it would go about doing so?
K	The budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves
	Key Questions <ul style="list-style-type: none"> • Does the authority's most recent budget report include a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves? • Does this report accurately identify and consider the most significant estimates used to prepare the budget, the potential for these estimates being incorrect and the impact should this be the case? • Does the authority have sufficient reserves to ensure its financial sustainability for the foreseeable future? • Does the report set out the current level of the authority's reserves, whether these are sufficient to ensure the authority's ongoing financial sustainability and the action that the authority is to take to address any shortfall?

Section 5 Stakeholder Engagement and Business Plans

L	The authority has engaged where appropriate with key stakeholders in developing its long term financial strategy, medium term financial plan and annual budget
	Key Questions <ul style="list-style-type: none"> • How has the authority sought to engage with key stakeholders in developing its long-term financial strategy, its medium-term financial plan and its annual budget? • How effective has this engagement been? • What action does the authority plan to take to improve its engagement with key stakeholders?

M The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions

Key Questions

- Does the authority have a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication 'Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal'?
- Does the authority offer guidance to officers as to when an option appraisal should be undertaken?
- Does the authority's approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options?
- Does the authority's approach to option appraisal include suitable mechanisms to address risk and uncertainty?
- Does the authority report the results of option appraisals in a clear, robust and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s)?

Section 6 Monitoring Financial Performance

N The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability

Key Questions

- Does the authority provide the leadership team with an appropriate suite of reports that allow it to identify and to correct emerging risks to its budget strategy and financial sustainability?
- Do the reports cover both forward- and backward-looking information in respect of financial and operational performance?
- Are there mechanisms in place to report the performance of the authority's significant delivery partnerships such as contract monitoring data?
- Are the reports provided to the leadership team in a timely manner and in a suitable format?
- Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action?

O The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability

Key Questions

- Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability?
- Has the authority put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet?
- Is the authority taking action to mitigate any risks identified?
- Does the authority report unplanned use of its reserves to the leadership team in a timely manner?
- Is the monitoring of balance sheet risks integrated into the authority's management accounts reporting processes?

Section 7 External Financial Reporting

P The Chief Finance Officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom

Key Questions

- Is the authority's CFO aware of their responsibilities in terms of the preparation of the annual financial statements?
- Are these responsibilities included in the CFO's role description, personal objectives and other relevant performance management mechanisms?
- Have the authority's financial statements hitherto been prepared on time and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom?

Q The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions

Key Questions

- Is the authority's leadership team provided with a suitable suite of reports on the authority's financial outturn and on significant variations from budget?
 - Is the information in these reports presented effectively?
 - Are these reports focused on information that is of interest and relevance to the leadership team?
 - Does the leadership team feel that the reports support it in making strategic financial decisions?
-

Summary from NWP Ethics Committee discussion of medical records dilemma (Oct 2021).

The committee had an in depth discussion of the submitted ethical dilemma, and were assisted with legal advice from the Assistant Force Solicitor.

One of the key issues that was raised was that the request for medical records is not always specific to the alleged offence and therefore often an individual's full medical records are provided to the police. Once these medical records have been received they are then subject to the Home Office Counting Rules as acknowledged in the ethical dilemma. Therefore crimes could be identified which may yield additional implications for individuals, but which are crimes that the victim has chosen not to report.

It was acknowledged that sometimes data which is later revealed to be pertinent to subsequent investigations can be discovered, an example would be in a safeguarding case.

A second key issue was that of how the victim is informed of the use of this data once retrieved and indeed the consent processes. In particular the Privacy Notice and the Disclosure Form were discussed. Whilst these are good practice there may be a question as to their routine use.

Wider issues identified related to the concern of the public over privacy and confidentiality of medical records and how that may impact on their disclosure and access to health care relating to assault.

The Committee would like to request:

- Data on the use of Privacy notices and Disclosure forms within the context of requesting medical evidence
- An appropriate member of NWP staff to attend an NWP Ethics Committee meeting to help the committee understand how focused and targeted requests for data are ensured within NWP.