

**HEDDLU  
GOGLEDD CYMRU  
NORTH WALES  
POLICE**

## JOINT AUDIT COMMITTEE

**9.30am – 4 August 2021  
Online by Microsoft Teams**

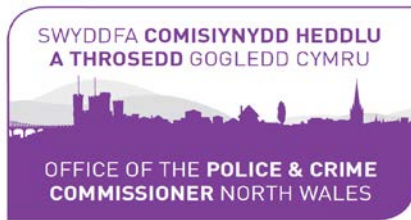
### AGENDA

#### Attendees:

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

	<b>Standing Items</b>		<b>Purpose</b>	<b>Page</b>	<b>Time</b>
	<b>Apologies</b>	Chair			
1	<b>Minutes of the last meeting</b> The Chair shall propose that the minutes of the meeting held on 30 March 2021.	Chair		3 - 10	5 Mins
2	<b>Actions Log</b>	Chair		11-19	15 Mins
<b>Standing Items</b>					
3	<b>Organisational Update</b>	Chief Executive Officer & Director Finance and Resources	Information	20 - 24	10 Mins
4	<b>HMIC Update</b>	Chief Superintendent Corporate Services	Information	25-27	5 Mins

5	<b>Internal Audit</b> a. Internal Audit Overview – Management Report – including 2021/22 audit plan b. Limited Assurance Audits – Property Subject to Charge audit and Health and Safety Audits c. Internal Audit SICA 2020-21, 2020/21 annual report	a Director Finance & Resources / Budget Officer  b. Head of Facilities  c– TIAA Audit Manager	Assurance & Decision  Assurance  Assurance	28 - 44  45 - 61  62 - 105	20 Mins
6	<b>Risk Update</b> - Risk Process Development & Current Risk Register	Chief Superintendent Corporate Services	Assurance	106 - 115	10 Mins
7	<b>Work Programme for 2020/21</b>	Director Finance and Resources and Chief Finance Officer	Decision	116 - 120	5 Mins
	<b>Substantive Items</b>				
8	<b>Finance</b> a. Update on statement of accounts b. Treasury Management – outturn report	Director Finance and Resources and Chief Finance Officer	Information	Oral 121 - 132	10 Mins
9	<b>Force management statement</b>	Director Finance and Resources / Head of Strategic Planning	Information	133	10 Mins
10	<b>Audit Enquiries to those Charged with Governance</b>	Chief Finance Officer/Head of Finance	Information	134 - 148	5 Mins
11	<b>Assurance update; assurance from high-level meetings - JGB</b>	Chief Finance Officer / Head of Business Intelligence	Assurance	149 - 152	10 Mins
12	<b>JAC Annual Review/ Annual Report</b>	Chair	Discussion	153 - 181	5 Mins
13	<b>Review of JAC Terms of Reference</b>	Chief Finance Officer	Information	182 - 186	5 Mins
14	<b>Legal Report</b>	Force Solicitor	Information	187 - 210	10 Mins
15	<b>Deep Dive on Capital Programme</b>	Director of Finance and Resources	Discussion	Presentation	15 Mins
17	<b>AOB (Advise the chair ahead of the meeting)</b>				
	<b>DATES OF FUTURE MEETINGS</b> 6 October 2021 8 December 2021 28 March 2022 28 July 2022 6 October 2022 8 December 2022				
		TOTAL			2.15 hrs



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## JOINT AUDIT COMMITTEE

30 MARCH 2021

### PRESENT

#### JOINT AUDIT COMMITTEE:

Rachel Barber - Chair  
John Cunliffe  
Dianne Walker

#### FORCE OFFICERS:

Seb Phillips – Director of Finance & Resources  
Guto Edwards - Head of Finance  
Helen Williams - Financial Control Accountant  
T/Chief Superintendent Sian Beck – Corporate Services  
James Sutton – Head of Business Intelligence/Chair of Assurance Board  
Sian Wyn-Jones – Governance and Policy Officer

#### 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

#### OBSERVERS

Allan Rainford  
Sarah Davies  
Julie Perkins

Chair welcomed all to the final meeting in the 2020/21 Financial Year and noted her thanks for the effective way the meetings have been held during this difficult year.

Chair noted her particular thanks to Dianne Walker and Claire Hodson for their hard work over the last three years. Chair also thanked John Cunliffe for all his work on the Risk and IT agenda. The Chair

informed the committee of Claire's apologies and acknowledged comments received from Claire on the papers today. The Chair welcomed, as observers, new JAC members from the 1<sup>st</sup> April 2021: Sarah Davies, Julie Perkins and Allan Rainford.

**141. APOLOGIES AND DECLARATIONS OF INTEREST**

Apologies: Claire Hodson – JAC member, Anne Matthews – Finance and Budgets Officer, NWP.

There were no declarations of interest.

**142. MINUTES AND ACTION LOG**

The minutes of the meeting held on 10 December 2020 were agreed as a true record of the meeting.

**143. ACTION LOG**

Action Log was updated and will be circulated with the minutes. Actions recommended closed and agreed closed were: 56b, 59h, 103d, 118d, 130, 131a, 133, 135, 136, 137a,137b,139b, 139c

**144. ORGANISATION UPDATE**

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

Office of the Police and Crime Commissioner

Chief Executive Officer updated Joint Audit Members on Safer Streets funding. The Office of the Police and Crime Commissioner and North Wales Police had successfully bid for over £1m of funding in 2020 for the Wrexham and Rhyl area. The second round of Safer Streets funding has been launched and last week a further application for funding has been submitted to cover the Bangor and Colwyn Bay areas.

It was stated that four candidates had confirmed that they would be standing in the Police and Crime Commissioner elections in 2021, but that the application window does not close until 8 April. A briefing day took place last week which went well and the Chief Executive has spoken to candidates individually to ensure the appropriate support will be in place after the election for the elected candidate.

North Wales Police

Director of Finance and Resources updated Joint Audit Members on the funding position with the most recent full year revenue projections continuing to reflect a revenue underspend of £1.4m with capital projections also showing a significant underspend for the financial year. The capital underspend against the original figures as per the Capital Strategy was currently projected at £3.8m equating to just under 40% of the budget.

Following the recent unauthorised disclosure of information, a review had taken place with lessons learnt and tangible steps taken to ensure further breaches are avoided. A risk of Data

Protection Compliance had been added to the Risk Register with the controls and procedures in place being highlighted.

Joint Audit Committee member requested that a high level strategic note was prepared informing members of the outcome of the visioning day held in January 2021.

ACTION 144	Director of Finance and Resources to prepare a high level strategic note on the outcome of visioning day held in January 2021.
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#### 145. HMICFRS UPDATES

Joint Audit Committee noted the update provided within the paper.

It was noted that two inspections has been carried out since the last Joint Audit Committee – Sensitive Intelligence and Child Protection. North Wales Police are awaiting the written report from both Inspections but seem to have gone well.

Work is progressing on areas which require improvement and also preparing for the PEEL Inspection likely to be undertaken in 2022.

Joint Audit Member stated that the report felt lighter and stated that if Joint Audit Committee were to gain assurance more detail is required. It was requested that more information is provided at July meeting in respect to the context and assurance of actions outstanding.

T/Chief Superintendent Corporate Services noted and will ensure that further detail is provided at next meeting.

ACTION 145a	T/Chief Superintendent Corporate Services to ensure that further detail is provided within the update paper for Joint Audit Committee meeting in July 2021.
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Chair of Audit Committee stated that at the All Wales Training event it was noted that the HMICFRS Value for Money profile has been issued. Joint Audit Committee requested that this matter is brought to future meeting providing high level data.

Head of Finance explained that the Finance Department look at this document thoroughly and an annual report is completed.

ACTION 145b	Chief Finance officer to update Work Programme to include HMICFRS Value for Money report at the July Joint Audit Committee meeting.
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#### 146. 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 requested at last meeting that duplications are identified with the SICA report and that links are drawn to other work. Elements identified are:

- Where audits undertaken and links identified to risk – highlighted further
- CBN process is solid regarding the work undertaken by the Force but note that these mainly relate to cyber security
- Plan for coming year – meetings held to ensure correct priorities and drawing back to risk register to ensure assurance received.

Joint Audit Committee member asked if the delay in the completion of audit recommendations were because of a particular department/officer but assurance was given that this is not the case and that ownership of actions will be shown within future reports.

ACTION 146a	Director of Finance and Resources to ensure ownership of outstanding actions is reflected within future papers.
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Joint Audit Members had a number of queries regarding the outstanding recommendations table and updates/actions were requested regarding missed deadlines. Director of Finance and Resources will pick-up with team and update document.

ACTION 146b	Director of Finance and Resources to discuss missed deadlines for management responses on outstanding recommendations with team.
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b. INTERNAL AUDIT SICA 2020-21

Joint Audit Committee noted the update provided within the paper which provides an update on progress against the 2020-21 Annual Plan.

Collaborative reports for 2021-22 are yet to be confirmed but this will hopefully happen within the next week. Plan for 2021-22 will then be finalised and issued.

Internal Audit confirmed that everything is in place to deliver on the first quarters work and that plans already shared with Finance and Budgets Officer.

It was reported that the ICT Change Management audit will not be undertaken this financial year as an audit was undertaken in the last financial year and no changes identified. This audit will be delayed for a 12 month period.

It was confirmed that sufficient work had already been completed to provide an audit opinion for 2020/21, and that the unused days will not be transferred to another audit in 2020/21. Instead, the days will be carried forward to 2021/22.

Chair Joint Audit requested clarification of the Route Cause Indicator table within the SICA report. Internal Audit explained that assurance showed as being down because of the volume of reports issued since last meeting and the recommendations arising from them. It was stated that the table is not a true reflection of position and trends very hard to demonstrate.

Chair Joint Audit stated that the document provides assurance but would ask that achievements are also shown and would like to congratulate Internal Audit staff on what has been delivered during this difficult year.

ACTION 146c	Internal Audit to provide evidence of achievements during the financial year.
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**147. RISK UPDATE**

Joint Audit Committee noted the update provided within the Risk Update paper as at 2 March 2021.

Chair Joint Audit Committee thanked staff for the progress made within the last year and thanked Joint Audit Member for working with staff.

Assurance Mapping - Head of Business Intelligence and Governance and Policy Officer have attended on-line course on how assurance mapping can be achieved with lowered capacity. A more risk based approach to assurance mapping is proposed in the future and will be bought back to the Joint Audit Committee.

ACTION 147	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 bought to the meeting for their consideration.
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An additional two risks have been closed since issuing this document, 38 and 68 which related to EU Exit. The Command structure has now been stood down and no longer poses a threat to any of our critical functions.

Chair and Joint Audit Committee member thanked staff for the work and progress made with recording and managing risk.

**148. WORK PROGRAMME FOR 2020/21**

Joint Audit Committee noted the updated work programme and requested that a Deep Dive on Capital Underspend be added to the July 2021 meeting.

Director Finance and Resources/Chief Finance Officer to update document ahead of July meeting.

ACTION 148a	Director Finance and Resources/Chief Finance Officer to update work programme ahead of July 2021 meeting.
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Chair of Joint Audit also requested that thought is given how the NEP and Digital transformation agenda can be included in the Joint Audit Committee's work programme going forward.

ACTION 148b	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.
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**149. CAPITAL STRATEGY**

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

Joint Audit Member queried figures provided within the paper. Head of Finance stated that he will take action away to look at figures and provide further briefing and clarity to Joint Audit Committee members.

ACTION 149a	Head of Finance to provide further clarity on figures within document and distribute to Joint Audit Members for information.
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Joint Audit Committee members questioned the non-delivery of the capital programme.

Director Finance and Resources stated that there are a number of underlying causes:

- Covid - particularly around the Estates Strategy and IT;
- delivery of national programmes - need to look at when these are likely to be delivered;
- timing differences with core programmes.

It was noted that these issues will be discussed/highlighted within the Outturn Document and will also sit within the narrative of the accounts.

Joint Audit Member stated that the review of non-delivery of capital programme should be within the core officer programme and not part of the Joint Audit Board enquiry. This work should not be reactive and embedded within the North Wales Police structure. Detail should have been available for discussion as this matter has been raised in the past and further clarity needed and solid reasons why monies not spent.

Director of Finance stated that this work is part of the Governance Structure and not triggered by Joint Audit Committee. What is presented today is a forward looking document and that the Outturn document will provide further detail.

Joint Audit Committee asked that the Capital Programme is placed on the work programme for further discussion on how this is monitored going forward.

ACTION 149b	Chief Finance Officer to place the Capital Programme on the work programme for further discussion.
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Chair reported that Treasury Management and Capital Strategy is one of key components of the Joint Audit Committee. Need to ensure that the new JAC have knowledge/awareness of these areas and need to capture these topics within development day.

ACTION 149c	Director Finance and Resources/Chief Finance Officer to ensure Treasury Management and Capital Strategy are included within the Joint Audit development day.
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Chair Joint Audit Committee thanked officers for the transparency that this document has provided and provides assurance with regards to Treasury Management Strategy but need to grow skill set of the new Joint Audit Committee to effectively support and challenge going forward.

## 150. FINANCIAL MANAGEMENT CODE



Joint Audit Committee noted the paper which provided background to the Financial Management Code and the work carried out to assess compliance.

It was noted that the next steps are to include within the Annual Governance Statement as per CIPFA guidelines and review/update in 2021/22.

Chair Joint Audit Committee asked that any actions outstanding are updated ahead of the October Joint Audit Committee meeting.

ACTION 150	Head of Finance to update any outstanding actions ahead of October Joint Audit Committee meeting.
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**151. GOVERNANCE UPDATE**

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

The Annual Governance Statement is yet to be published as the statement needs to reflect the most recent advice received during the All Wales Joint Audit Committee event, which was facilitated by CIPFA and which had taken place the previous week. The core actions highlighted within the Review of Governance had been completed but work continues on other identified actions. All actions have been progressed but need to be reviewed.

It is intended to have a full draft of the annual accounts, including the draft Annual Governance Statement to discuss with the Joint Audit Committee at the technical briefing day which will take place in early June.

**152. JAC ANNUAL REVIEW/ANNUAL REPORT (DRAFT)**

The Draft Annual Report has been circulated to members for comment and will be updated after today's meeting and presented at the July Joint Audit Committee.

Joint Audit Committee undertook an evaluation which has highlighted three areas for development/improvement:

- Feedback on Joint Audit Committee's performance
- Promoting effective reporting
- Streamlining evidence gathering and performance

These were shared with both parties and Chair awaits feedback from officers and members.

ACTION 152	Members and Officers to provide Chair Joint Audit Committee with any feedback ahead of July Joint Audit Committee meeting.
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**153. ANNUAL REVIEW OF RISK STRATEGY AND RISK APPETITE**

Joint Audit Committee noted the content of the paper which highlights the first review of the Force Risk Appetite.

This review covers the full set of risk areas which should be reviewed but it was explained that this will also be undertaken through the year.

Joint Audit member stated that risk is in a much better position than it was a year ago and Chair thanked all for the work undertaken which provides much better assurance to Joint Audit Committee members.

#### 154. **ANNUAL STATEMENT OF ACCOUNTS – OUTLOOK**

Joint Audit Committee noted the timelines and financial context provided by Director Finance and Resources for information and slides were circulated to members for information.

ACTION 154	Slides presented by Head of Finance to be circulated to members for information.
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#### Combined Audit Plan – Audit Wales

Joint Audit Committee noted the document provided by Audit Wales which sets out the work to be undertaken by them and planned timetable for works.

Joint Audit member noted that there was no mention of data analytics within the document and Audit Wales explained that this was to be trailed in pilot areas during the next financial year to ensure that it works and provides assurance. It was stated that the police service was not part of this pilot.

#### 155. **MEMBERSHIP**

Chair Joint Audit Committee thanked everyone for their work over the last financial year and thanked Joint Audit members for their help in moving this work forward.

As this is the last meeting for two Joint Audit Members, Chair paid particular thanks to Dianne Walker and Claire Hodson for their work over the last three years and their contribution to the Joint Audit Committee.

Chief Executive Officer, Chief Finance Officer and Director of Finance and Resources echoed Chair's thanks and stated that both members are leaving the organisation in a much better position than when they joined.

#### 156. **ANY OTHER BUSINESS**

There was no other business.

The next Joint Audit Committee meeting will be held on 29 July 2021 at 9.30am either in Conference Room 1, FHQ Colwyn Bay or by Microsoft Teams.

JOINT AUDIT COMMITTEE  
ACTION LOG from 30.03.2021

	Open
	Closed
	Deferred

New/Open actions from March 2021

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE	OUTCOME
	56a	<b>Ethics</b> - 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.	
	91b	<b>Internal Audit</b> - 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	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. 30/07/2020 CFO to update work programme to reflect change from December 2020 to March 2021. 12.02.21 – Action re-opened to monitor progress. 12.02.21 – Timelines mean that the draft FMS will be completed post March meeting. Update to be provided	

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE	OUTCOME
					<p>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. 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 31<sup>st</sup> 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 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.</p>	
	102b	<b>Internal Audit Overview</b> - Director of Finance and Resources to respond to JAC relating to the reason for due date revisions and	Immediate	Director of Finance and Resources Page 12 of 210	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	

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE	OUTCOME
		<p>how a GDPR issue relating to sensitive data stored on network drives would be addressed through NEP and migration to a Cloud environment</p>			<p>being reasonable &amp; 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><i>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.</i></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> <p>09/02/2021 DFR &amp; 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</p>	

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE	OUTCOME
					documents. NEP to feature as a 'deep dive' on the August JAC Agenda.	
	105a	<b>Assurance Board</b> - 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. 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"> <li>• 10/11/20 North Wales Local Resilience Forum Cyber Exercise – postponed due to technical difficulties, to be rearranged late November/early December 2020</li> <li>• 17/12/20 – EU Exit business continuity exercise. An updated version of the EU Exit exercise previously run on 09/10/20</li> <li>• 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 business continuity work to be undertaken. It will also inform the testing schedule for 2021 which will be produced as part of the work.</li> </ul> <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</p>	

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE	OUTCOME
					assist on a temporary basis with business continuity work. 11.01.2020 – Chair and T/Superintendent Corporate Services to discuss action. 03.03.2021 Please see attached paper (Appendix A). <b>Recommend action closed.</b>	
	139a	<b>Work Programme</b> - 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	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. 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. <a href="#">21/05/21 – Officers will have regular update with JAC Risk Lead.</a> <b>Recommend action closed.</b>	
30/03/2021	144	<b>Organisational Update</b> - 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	<a href="#">Director of Finance and Resources will circulate to all.</a> <a href="#">24/06/21 – Visioning day document circulated to JAC members.</a>	
	145a	<b>HMIC Update</b> - T/Chief	July 2021	T/Chief	<a href="#">Take into account when preparing paper for July</a>	

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE	OUTCOME
		Superintendent Corporate Services to ensure that further detail is provided within the update paper for Joint Audit Committee meeting in July 2021.		Superintendent Corporate Services	meeting. <b>Recommend action closed.</b>	
	145b	<b>HMIC Update</b> - 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.	
	146a	<b>Internal Audit</b> - 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. <b>Recommend action closed.</b>	
	146b	<b>Internal Audit</b> - 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. <b>Recommend action closed</b>	
	146c	<b>Internal Audit</b> – 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. <b>Recommend action closed.</b>	
	147	<b>Risk Update</b> - 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. <b>Recommend action closed.</b>	
	148a	<b>Work Programme</b> - 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. <b>Recommend action closed.</b>	



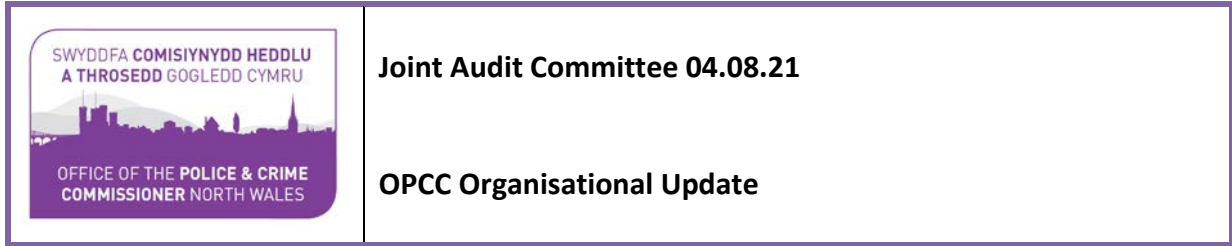
MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE	OUTCOME
	148b	<b>Work Programme</b> - Director Finance and Resources/Chief Finance Officer to consider how best to include the NEP and Digital transformation work within the Joint Audit Committee's work programme.	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.	
	149a	<b>Capital Strategy</b> - 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 <sup>th</sup> of June.  <b>Recommend action closed.</b> (In the event that the question has not been answered request that a new action raised with clarity on the question).	
	149b	<b>Capital Strategy</b> - 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 <b>Recommend action closed.</b>	
	149c	<b>Capital Strategy</b> - 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. <b>Recommend action closed.</b>	
	150	<b>Financial Management Code</b> - 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 <b>Review of Planning Cycle</b> – complete and dates set out for the next 6 months. <b>Regional and National Collaboration</b> – costs continue to	

MEETING DATE	MINUTE NO.	ACTION DESCRIPTION	REQUIRED BY (DATE)	PERSON RESPONSIBLE	UPDATE	OUTCOME
					<p>be challenged and under stood, but still an area of concern as a budget pressure.</p> <p><b>Developing BC and early engagement with Procurement</b> – this has improved and will be further enhanced with the appointment of a Business Benefits Realisation Officer in the PMO.</p> <p><b>Benchmarking Data</b> – Engaging Regionally and Nationally to influence data collection to try and get meaningful BM data.</p> <p>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.</p> <p><b>Recommend action closed.</b></p>	
	152	<b>JAC Annual Review/Annual Report (draft)</b> - Members and Officers to provide Chair Joint Audit Committee with any feedback ahead of July Joint Audit Committee meeting.	ASAP	Members and Officers	20/06/21 – DFR submitted feedback for both reports. <b>Recommend action closed.</b>	
	154	<b>Annual Statement Of Accounts – Outlook</b> - Slides presented by Head of Finance to be circulated to members for information.	Immediately	Director of Finance and Resources	Slides circulated. <b>Recommend action closed.</b>	

**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	OUTCOME

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



**1. Updates**

The previous meeting of the Joint Audit Committee (JAC) was held on 30<sup>th</sup> March 2021. This report will provide an update to the JAC on OPCC matters of note since then.

**2. New Police and Crime Plan**

Following his election in May, the new PCC Mr Andrew Dunbobbin intends to publish his new Police and Crime Plan at the end of September (subject to the agreement of the North Wales Police and Crime Panel).

The Plan sets the strategic priorities for North Wales Police for the next 3 years. The Chief Constable is a statutory consultee and the views of the public must also be taken into account. An online survey, seeking the view of the public, went live on Monday 28<sup>th</sup> June and remains open until 20<sup>th</sup> August. A paper copy and an easy read version of the survey are also available.

**3. Safer Streets**

The JAC will recall from previous updates that in Early 2020 the Home Office invited bids for funding from its Safer Streets Fund to help make communities safer and reduce crimes like theft, burglary and anti-social behaviour.

Partner agencies led by the OPCC and including Local Authorities, North Wales Police and Clwyd Alyn collectively made successful bids for Rhyl and Caia Park in Wrexham. North Wales were allocated £550,000 and £517,000 respectively to make physical improvements and to help build on the community spirit that already exists in those areas.

Very recently we have been informed that two further bids submitted by the OPCC to the second Safer Streets fund have been successful. Nearly £0.5m in funding has been secured with £239,000 for Bangor and £246,622 for Colwyn Bay. Across both towns North Wales Police have used carefully compiled data to identify the areas most at risk of crimes of burglary and theft and which are blighted by anti-social behaviour.

**4. Naloxone**

The JAC will recall from previous updates that in early 2020, twelve NWP officers and former PCC Arfon Jones were trained by a Senior Nurse from the Substance Misuse, Harm Reduction Unit of Betsi Cadwaladr University Health Board in the safe use of Nasal Naloxone, and were allocated a provision of Nasal Naloxone for use in a pilot scheme in Flintshire.

The pilot was a success with two lives being saved. As a result, North Wales Police Chief Officers have agreed to extend its use across the force as of 20th April 2021.

Only officers who volunteer to do so will carry Naloxone. Anyone who does volunteer will get full training and support and can withdraw from the scheme at any time.

Many other Forces are now following our lead and exploring the use of Naloxone.

**5. Commissioning**

The OPCC put submissions forward to the Ministry of Justice Rape Support Fund and were successfully awarded £1,312.106 to support 16.4 FTE new posts in North Wales. This funding is for 2 years and will ensure victims of domestic violence and sexual violence are supported, waiting lists are reduced with appropriate caseloads.

**Violence Against Women Domestic Abuse and Sexual Violence (VAWDASV)**

Welsh Government has allocated an additional £267,954 to the regional VAWDASV team to support Needs Based Training across the region. Further funding has been allocated to support capital works and this work is ongoing.

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

**Meeting Date: 04<sup>th</sup> August 2021**

<b>Title:</b>	Organisational Update – North Wales Police
<b>Author:</b>	Seb Phillips, Director of Finance & Resources
<b>Purpose of the report:</b>	To provide the Joint Audit Committee with an overview of key organisational events and issues taking place since the last JAC meeting held on 30.03.20.
<b>The report is provided to JAC for: (tick one)</b>	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Assurance <input checked="" type="checkbox"/> Information
<b>Summary / Key Points:</b>	<p>This report provides a high level Organisational Update for North Wales Police highlighting key issues and events affecting the organisation for the period from 04.03.21 to 10.07.21.</p> <p>The issues and events are analysed between the four categories of Finance; People, Learning &amp; Innovation; Operational and Public / Community.</p>
<b>Recommendations:</b>	For members of the Joint Audit Committee to note the Director of Finance & Resources’ report.
<b>Risk Register Impact:</b>	None.
<b>Assurance Implications:</b>	None.
<b>Equality Impact:</b>	None.
<b>Information Exempt from Disclosure:</b>	None - All content in <u>Open</u> Session

## JOINT AUDIT COMMITTEE

04 August 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 04.03.21 to 10.07.21.

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

##### 2. Finance

- Outturn figures for 2020-21 have been reported with a Revenue underspend of £4.634m excluding FCIN. Capital expenditure outturn figures were also below the Q3 projections by £0.829m.
- The revenue variances are due to a number of factors with Grants and other additional income received in Q4 a significant factor. However, the uncertainty of Covid-19 – and the timing of when its impact might dissipate – has been a challenge in the financial projections throughout the financial year.
- A review of the Capital underspends and the associated governance frameworks in place features as part of the Aug21 JAC agenda.
- Whilst official announcements are still awaited, a Comprehensive Spending Review is expected to take place in 2021. The working assumption is that this will be in preparation for a 3 year settlement. Information gathering locally, regionally and nationally is underway in anticipation of this.
- Funding for an additional 100 PCSOs has been announced across Wales. Whilst the details on funding and timing are still awaited the expectation is that NWP receives an allocation of 21 additional PCSOs as a result.
- Worthy of note is a payroll overpayment emerging due to an administrative error. Due to the quantum this has required a decision by the PCC to help manage any potential write off. A review of the associated payroll process as a result of this overpayment is now underway.
- Resourcing plans associated with 2020-21 growth and savings are progressing but the expectation is that an underspend against the financial plan is the likely outturn result for Q1.

##### 3. People, Learning & Innovation

- Recruitment is ongoing for the Uplift Phase 2 61 officers; the additional PCSO allocation and the FY21-22 growth elements.
- Abstractions due to Covid-19 within force remained relatively low in April and May but the easing of restrictions has resulted in a greater number of staff being abstracted from the force during June. Covid's impact along with any changes in the regulatory framework continues to be closely monitored.
- In addition to Covid related sickness abstractions the unwinding of the Annual leave and Training backlog built up due to Covid also continues to be closely managed.
- After an extended period finalising the details, the Command & Control upgrade contract has now been agreed meaning that attention now turns to its implementation with June22 the intended completion date.

- The ICT sourcing strategy continues to progress with definition of the Procurement market bundles and internal structure and roles being the primary area of focus.

#### **4. Operational**

- Since the last JAC report Wales has transitioned from alert level 4 down to alert level 1 with the vaccination programme progressing over the same period.
- Demand modelling has been undertaken to consider the impact of the reduced Covid restrictions will have operationally with the expectation that operational demand increases in a number of areas. The analysis and associated plans were subject to review and discussion at the Senior Leadership Forum (SLF) held at the end of June. Whilst the analysis is ongoing an element of the content is highlighted below:
  - Regarding North Wales road usage, analysis showed that Covid restrictions were sometimes ignored, with a high volume of vehicles visiting popular 'tourist areas' being turned around on the Flintshire border and across the region.
  - The volume of traffic has continued to rise in line with the easing of travel restriction in place, with the A55 corridor seeing large volume of traffic and congestion. This has in turn impacted some local communities, with drivers avoiding the A55 for other local routes.
  - Tourism sees a visible increase within the region in terms of day visitors and as a 'holiday destination'. Around 3-4K of motorcyclist were noted travelling within North Wales during the May Bank Holiday, many of which had travelled from outside the region. Larger volume of traffic continue to be seen particular on a Friday and the Weekend period.
  - The analysis indicated that some crime types are likely to remain below average levels for a pre-COVID summer such as sexual, vehicle and property crime, whilst overall crime could be up to 8% higher than a pre-COVID summer average, including violence, hate crime and cyber-crime all being projected to be higher than average.
- Whilst focussing on the short term the themes are generally in line with those of the recently issued Force Management Statement (FMS) which focusses on the Demand & Capability of the force into the medium term.
- Equality, Diversity & Inclusion was also an area of focus for the SLF building on the previous SLF held in March with Carl Foulkes being the National Policing lead for Diversity.
- The FCIN programme continues to make progress with the core dedicated team being supported by NWP as the host force.
- A number of significant national programmes are also progressing including FCN; NPAS and Special Branch although their full implications are yet to be finalised.

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

- The PCC elections confirmed Andy Dunbobbin as the new PCC in May21. The force has been formally consulting with the OPCC in support of the creation of the new Police & Crime Plan for the Autumn.
- Engagement with the public has been a feature of this work including in relation to the potential allocation of the additional 21 PCSOs.
- Single Online Home has now completed its initial project phase moving to BAU although the impact has been limited with an increase in increase in contact demand overall being offset in some areas by channel shift away from 101 calls. Next steps are currently being considered.

#### **6. Recommendations**

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





**Joint Audit Committee**

**July 2021**

<b>Title:</b>	HMICFRS Update
<b>Author:</b>	C/Inspector David Cust
<b>Purpose of the report:</b>	Update in relation to HMICFRS reports
<b>The report is provided to JAC for: (tick one)</b>	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Assurance <input checked="" type="checkbox"/> X Information
<b>Summary / Key Points:</b>	<p>North Wales Police have this month (July) been assigned a new Force Liaison Lead, Gary Ashton. This is due to our previous lead being unable to spend any time within NWP due to demands with another force. This was highlighted and recognised at HMICFRS hence the replacement.</p> <p>NWP have currently got nineteen areas for improvement (AFI's) recorded by HMICFRS. Twelve are awaiting HMICFRS action to review or sign-off as satisfied.</p> <p>This leaves seven areas require further work within NWP to resolve which I have documented below with progress made to evidence/satisfy. Good progress is being made in all areas and there are currently no causes of concern to highlight.</p> <p><b><u>Outstanding AFI's from PEEL 18-19.</u></b></p> <p>1/ The force needs a co-ordinated, strategic approach to public consultation about its future change plans. The vies of the public should inform the force view of the future and influence its design where appropriate.</p> <p>We have instigated a three-pronged approach to satisfy this along with the OPCC:</p> <ul style="list-style-type: none"> <li>• Social media consultation similar format to the Twitter WeCops where the Chief would pose/answer questions</li> <li>• Survey. Planned to ask the public some questions built into the Confidence Survey along with the North Wales Police PCC and CC Public Consultation survey 2021 which has recently been launched.</li> <li>• In respect of projects/programmes and Kerrie Ambrose is building a triage to establish at the commencement whether we should and what level of public engagement is right.</li> </ul> <p>2/ The force should review its approach to community engagement, ensuring engagement influences local priorities and communities are informed about the action taken in response to the concerns raised.</p> <p>NWP have instigated two pieces of work to satisfy this area:</p> <ul style="list-style-type: none"> <li>• A review of community engagement/consultation, focused on empowering communities to influence our priority setting</li> <li>• A business case was submitted and agreed to purchase a neighbourhood alert package. This forms the backbone of recording and developing our engagement and local priority setting. Once this is</li> </ul>



live, we will be able to demonstrate to HMICFRS. This will satisfy this area of inspection.

**Protests: Getting the balance right?**

1/ On a national, regional & local basis, the police should develop a stronger rationale for determining the number of commanders, specialist officers & staff needed to police protests.

- This is a new AFI from HMICFRS following the Sarah Everard vigil in Clapham Common. Supt Banham is leading on this for the force and will report back in due course having attended national/regional forums on this subject.

2/ The police's protest-related community impact assessments need improvement. They should include assessments of the impact of protests on the local residents, visitors, businesses & the critical infrastructure including transport networks/hospitals.

- An action plan is in the process of being formulated to address this. This will be based on national and regional guidance before review and implementation within force.

**Cyber: Keep the light on**

1/ Chief Constables should evaluate the use that their force makes of cyber specials and volunteers to ensure that they are used effectively.

- The department have just set up and mapped work streams. An evaluation is planned to ensure effective use, this should show HMICFRS the evidence they require.

**Roads Policing: Not optional**

1/ The awareness and understanding of the changes in the Professionalising Investigation Programme (PIP) within Police forces is an area of improvement

- NWP is awaiting the development of the necessary PIP training by the College of Policing.
- We can show development and upskilling in relation to our fatal investigation officers. This is currently being evidenced prior to any College development. Evidence will be sent to HMICFRS as an interim update.

**Fraud: Time to choose**

1/ Chief constables should increase their force's use of ancillary orders against fraudsters.

- Any investigations that have a suggestion of funds that can be restrained or confiscated are passed to the Financial Investigators following the ECU triage. These orders are applied for by the FI's and following any conclusion of the criminal case the POCA case begins

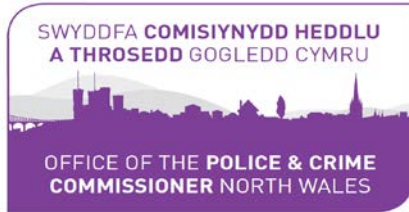


	<p>and is then concluded.</p> <ul style="list-style-type: none"> <li>We are awaiting audit work to show that we are maximising opportunity to utilise these ancillary orders. Once collated we can present to HMICFRS to satisfy this area.</li> </ul> <p><b><u>Recommendations from thematic reviews of policing</u></b></p> <p>There are seventy-two recommendations listed on the HMICFRS Monitoring Portal for North Wales Police, however, twenty-three of those are not for the force, but are for ROCU, College of Policing, or NPCC Leads. This leaves forty-nine for North Wales Police. Out of these, thirty-two are awaiting further action from HMICFRS (either FLL insight/review/signing off), and two are awaiting non-NWP action (Probation Service/NPCC Lead), leaving fifteen recommendations that require North Wales Police progression. Clear ownership with progress being made to satisfy these areas in the coming months. At this time there are no areas of concern which will prevent these being finalised with timely updates made to the Organisational Learning Board every six weeks.</p>
<b>Recommendations:</b>	
<b>Risk register impact:</b>	
<b>Assurance implications:</b>	
<b>Equality Impact:</b>	
<b>Information exempt from disclosure:</b>	



**Joint Audit Committee**  
**Meeting Date: 4<sup>th</sup> August 2021**

<b>Title:</b>	Internal Control Report
<b>Author:</b>	Anne Matthews, Finance & Budget Officer Seb Phillips, Director of Finance & Resources
<b>Purpose of the report:</b>	To provide the Joint Audit Committee with an overview of Internal Control activity within the Force
<b>The report is provided to JAC for: (tick one)</b>	<input checked="" type="checkbox"/> Decision <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Information
<b>Summary / Key Points:</b>	<p>The report summarises key Internal control activity regarding:</p> <ul style="list-style-type: none"> <li>• Recommendation status from previous TIAA Audits (taking note of the JAC comments/actions from the March meeting)</li> <li>• Management response regarding Client Briefing Notes (CBNs) and Fraud Alerts including those issued in the period</li> <li>• TIAA audits issued (including, worthy of note 2 x Limited Assurance Audits)</li> <li>• TIAA's 2020-21 Annual Report</li> <li>• The final 2021-22 Internal Audit Plan</li> <li>• Request that JAC Members review 2021/22 audit plan and raise any proposed revisions to the plan in August 2021 meeting</li> </ul>
<b>Recommendations:</b>	None
<b>Risk Register Impact:</b>	TIAA control findings, Client Briefing Notes and Fraud Alerts have been considered for reflection on the Force Risk Register.
<b>Assurance Implications:</b>	This report is directly relevant to Internal Control Activity providing Assurance in North Wales Police.
<b>Equality Impact:</b>	None
<b>Information Exempt from Disclosure:</b>	N/A – All content in Open Session



**HEDDLU  
GOGLEDD CYMRU  
NORTH WALES  
POLICE**

## JOINT AUDIT COMMITTEE

### INTERNAL CONTROL REPORT – 4<sup>TH</sup> August 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 06/07/2021. The aim is to supplement the TIAA papers received by JAC with a view to providing additional assurance.

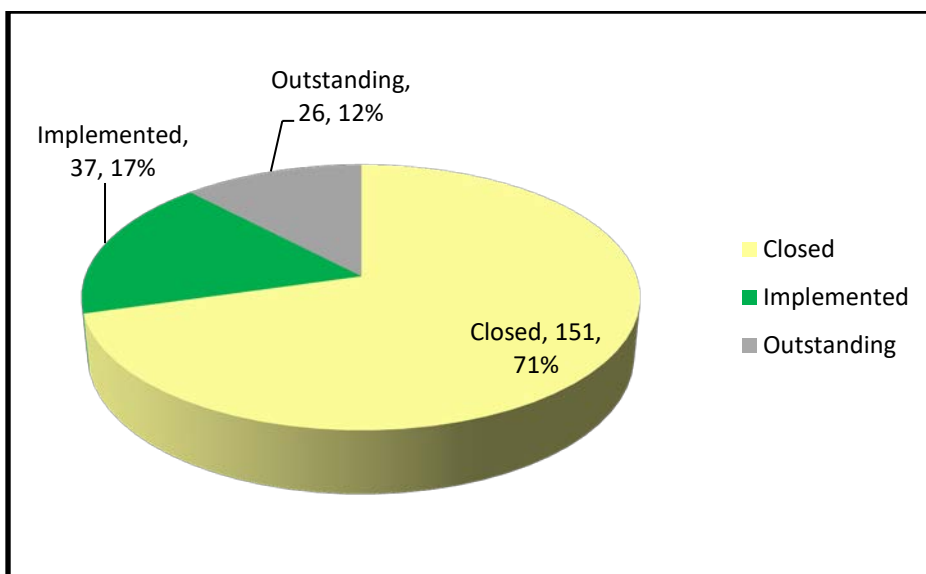
It is anticipated that further activity may have been undertaken by the JAC August meeting itself, which will be verbally updated on exception at the meeting.

The report focusses on key Internal control activity regarding:

- Recommendation status from previous TIAA Audits (taking note of the JAC comments/actions from the March meeting)
- Management response regarding Client Briefing Notes (CBNs) and Fraud Alerts including those issued in the period
- TIAA audits issued (including, worthy of note 2 x Limited Assurance Audits)
- TIAA's 2020-21 Annual Report
- The final 2021-22 Internal Audit Plan
- Request that JAC Members review 2021/22 audit plan and raise any proposed revisions to the plan

## 2. RECOMMENDATION STATUS OF TIAA AUDITS

The position on 2021/2022 Internal Audit recommendations as at 06/07/2021 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:

- 39 additional outstanding recommendations received of which 25 have been implemented (New in below table)
- Summary of 36 outstanding recommendations that have been implemented since **March** meeting detailed below:

Job	Rec status	No of Recs
20/21 Collaborative Project Review – Office 365	Existing	1
20/21 Collaborative Risk Management – Mitigating Controls	Existing	2
20/21 Counter Fraud – Anti-Fraud Procurement	Existing	1
20/21 Eastern Area – Command Unit	New	6
20/21 Fleet Management – Fuel Usage	Existing	5
20/21 Fleet Management – Repairs	New	6
20/21 Organisational Development	Existing	1
20/21 Property Subject to Charge	New	11
Cyber Security	Existing	1
21/22 Health and Safety Management	New	2
<b>Grand Total</b>		<b>36</b>

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

The **accumulative** total of 37 implemented recommendations since TIAA’s follow up audit in February 2021 as at 06/07/2021 is outlined below:

Status Summary – Implemented Accumulative Total	Category	No
Implemented on or before original due date	Cat 1	28
Implemented on or before 1st revised due date	Cat 2	2
Implemented on or before 2nd revised due date	Cat 3	0
Implemented on or before 3rd revised due date	Cat 4	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	6
		<b>37</b>

Analysis of the 26 outstanding recommendations as at 06/07/2021 is also outlined below:

Status Summary - Outstanding Recommendations	Category	No
No of Recommendations - still on original due date	Cat 1	20
No of Recommendations - 1st revised due date	Cat 2	3
No of Recommendations - 2nd revised due date	Cat 3	2
No of Recommendations - 3rd revised due date	Cat 4	1
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
		<b>26</b>

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

Analysis of the 26 outstanding recommendations and how they tally to each audit is provided on Appendix 1.

The latest position and update regarding the 26 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**

The current status on CBNs and Fraud Alerts is shown below:

Type	No rec'd	Action Required	Open Actions
CBNs - 19016 to 21015	33	0	0
Fraud Alerts	16	0	0

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

Cyber Crime was a continued theme in the three Fraud Alerts received in the period March to June 2021. These alerts were circulated to management teams as well as being published on "Fy Llais/My Voice" on the force intranet to be viewed by all NWP employees.

For information our Western Community Safety Sergeant has done some work to accredit NWP as a Corporate Friend for the Friends Against Scams organisation as a commitment to create more wide-spread awareness within our organisation. As a result, to date two Scam Awareness Training Teams meetings have been held.

**4. TIAA AUDITS ISSUED IN THE PERIOD**

Nine TIAA audits were issued in the period up to and including 06/07/2021, two of which have been graded limited assurance with further detail on these two audits provided below:

Property Subject to Charge (PSTC) – Limited Assurance

- 1 urgent recommendation (priority level 1) – work commenced on this recommendation immediately and the current status of the exhibits is detailed below.

No of Exhibits checked out to Officers			
Year	Time of Audit	26/05/2021	30/06/2021
2009/10	75	0	0
2010/11	27	0	0
2013	24	2	1
2014			2
2015	85	10	6
2016	732	247	11
2017	1009	836	37
2018	1092	857	303
2019	2633	2375	2245
2020	2592	2091	2016
2021	978	895	1060
Total	9247	7313	5681
Less Captor Sprays		-1080	-1046
Balance outstanding	9247	6233	4635

- 9 important recommendations (priority level 2) – 8 of which have been implemented
- 5 routine recommendations (priority level 3) – 3 of which have been implemented
- 3 OEMs (Operational – Effectiveness Matter)

A meeting with the relevant stakeholders took place on 06/07/2021 to score PSTC from a risk perspective resulting in PSTC meeting the threshold for being added to the Force Risk Register.

Health & Safety Management – Limited Assurance

- 2 urgent recommendations (priority level 1) – 1 of which has been implemented
- 2 important recommendations (priority level 2) – 1 of which has been implemented
- 2 routine recommendations (priority level 3)
- 1 OEM

The stakeholders are scheduled to meet to assess whether a risk should crystallise on the Force Risk Register for this area as well.

Further details of the audits undertaken and the associated findings are reflected in the TIAA SICA report.

**5. TIAA’S 2020/21 ANNUAL REPORT**

The annual report has been issued and circulated; all planned audits for 2020/21 have taken place thus enabling the Head of Internal Audit to give their annual opinion.

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	13	9
Reasonable Assurance	6	9
Limited Assurance	1	0
No Assurance	0	0

**HEAD OF INTERNAL AUDIT’S ANNUAL OPINION**

TIAA is satisfied that, that sufficient internal audit work has been undertaken to allow me to draw a positive conclusion as to the adequacy and effectiveness of The Police and Crime Commissioner’s and the Chief Constable’s risk management, control and governance processes. In my opinion, The Police and Crime Commissioner and the Chief Constable have adequate and effective management, control and governance processes in place to manage the achievement of their objectives for the areas reviewed during the year.

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



## 6. 2021-22 INTERNAL AUDIT PLAN

The 2021/22 internal audit plan has been finalised and work has commenced booking in NWP audits and Collaborative audits between the 4 Welsh forces.

- 16 NWP Audits – 2 audits complete, 1 underway, 10 booked in and 3 proposed dates awaiting confirmation.
- 11 Collaborative audits (4 Welsh Forces) - 3 audits booked in, 3 proposed dates awaiting confirmation and 5 audits awaiting information from the 3 other forces prior to booking in.

The following risks from the Force risk register will all feature in the audit programme specifically:

Title	Force Risk Register	Covid Risk Register
Collaborative audit - Treasury Management	14 Risk of loss of money invested on the money market	-
Collaborative audit - Pensions All Wales Hub	71 Pensions	-
HR/Workforce Management - Strategy	47 Ability to Integrate Uplift Officers	-
Occupational Health unit	53 Vicarious trauma	-
ICT-Network Security	10 Network Security Risk from External Evidence 46 Digital Transformation 60 Cyber Security Threats	-
ICT - Data Protection	72 Data Protection Compliance	-
Pensions Cyber Security	60 Cyber Security Threats	-
Collaborative audit - Agile Working	-	CV08/20 Staff returning to NWP Premises
Contract Management - XPS Contract	71 Pensions	-

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.

## 7. REQUEST THAT JAC MEMBERS REVIEW 2021/22 AUDIT PLAN AND RAISE ANY PROPOSED REVISIONS TO PLAN

The JAC TOR requires its review of the TIAA annual audit plan for FY2021/22. The plan has been previously shared with audit committee members between JAC meetings and the details of the programme of work is included in TIAA's SICA report, with the JAC responsibilities outlined in the TOR below:

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

**We would ask, please, that any proposed revisions are raised for consideration at the August 2021 audit committee meeting.**

**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	242655	Internal Audit	Collaborative Review - Single Online Home	2019	Operational Risk	Existing	Quarterly Joint Governance Board	46 Digital Transformation
004	244459	Internal Audit	Governance - Corporate Communications	2019	Directed Risk	Existing	Quarterly Joint Governance Board; Monthly Performance Review	-
005	247498	Internal Audit	20/21 Expenses and additional payments	2020	Directed Risk	Existing	Quarterly Joint Governance Board	-
007	248258	Internal Audit	20/21 Data Assurance	2020	Directed Risk	Existing	Quarterly Joint Governance Board; IS&C	72 Data Protection Compliance
008	249422	ICT Audit	20/21 Collaborative Project Review – Office 365	2020	Directed Risk	Existing	Quarterly Joint Governance Board; Digital Transformation Board	46 Digital Transformation Programme
009	249423							
010	249424							
011	249425							
012	249426							
013	250326	Internal Audit	Eastern Area- Command Unit	2020	Directed Risk	New	Quarterly Joint Governance Board; Quarterly H & S meeting	-
014	251509	Internal Audit	20/21 Fleet Management – Repairs	2020	Directed Risk	New	Quarterly Joint Governance Board; Quarterly Vehicle user group which reports into the quarterly Strategic Finance Resources Board meetings.	-
015	251995	Internal Audit	20/21 Property Subject to Charge	2020	Directed Risk	New	Quarterly Joint Governance Board; Business SMT meetings; F & R SMT meeting	New risk identified and added to the Force Risk Register 06/07/2021
016	251998							
017	252006							
018	252009							
023	252116	Internal Audit	21/22 Western Area - Command Unit	2021	Directed Risk	New	Quarterly Joint Governance Board; Quarterly H & S meeting	-
024	252117							
025	252118							
026	252119							
023	252193	Internal Audit	21/22 Health and Safety Management	2021	Delivery Risk	New	Quarterly Joint Governance Board; Quarterly H & S meeting; F & R SMT meeting	-
024	252195							
025	242197							
026	252198							

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

Overview

Priority Level	No	Responsible Officer	Original Due Date	Revised Due Date	No of Recs
<b>1</b>	<b>015</b>	Seized Property Manager	<b>30/11/2021</b>		<b>1</b>
	<b>023</b>	Health & Safety Manager	<b>01/09/2021</b>		<b>1</b>
<b>1 Total</b>					<b>2</b>
<b>2</b>	<b>001</b>	NWP PMO Programme Management Office/NWP ICT	<b>31/07/2021</b>	31/03/2022	<b>1</b>
	<b>003</b>	Project Manager	<b>30/10/2020</b>	09/07/2021	<b>1</b>
	<b>004</b>	CEO, OPCC	<b>30/09/2021</b>		<b>1</b>
	<b>005</b>	Payroll and Pensions Manager	<b>31/03/2021</b>	31/07/2021	<b>1</b>
	<b>007</b>	Superintendent, SMT, Corporate Services	<b>31/03/2022</b>		<b>1</b>
	<b>008</b>	Superintendent, SMT, Corporate Services	<b>31/03/2022</b>		<b>1</b>
	<b>009</b>	Superintendent, SMT, Corporate Services	<b>31/03/2022</b>		<b>1</b>
	<b>010</b>	Superintendent, SMT, Corporate Services	<b>31/03/2022</b>	31/07/2022	<b>1</b>
	<b>011</b>	Superintendent, SMT, Corporate Services	<b>30/09/2023</b>		<b>1</b>
	<b>013</b>	Health & Safety Manager	<b>30/06/2021</b>	01/09/2021	<b>1</b>
	<b>016</b>	Archive and Support Services Manager/ Seized Property Manager	<b>30/09/2021</b>		<b>1</b>
	<b>019</b>	Health & Safety Administrator	<b>01/09/2021</b>		<b>1</b>
	<b>024</b>	Health & Safety Administrator and Health & Safety Manager	<b>01/09/2021</b>		<b>1</b>
	<b>2 Total</b>				
<b>3</b>	<b>006</b>	Head of IS&C	<b>31/03/2021</b>	30/07/2021	<b>1</b>
	<b>012</b>	Superintendent, SMT, Corporate Services	<b>30/09/2022</b>		<b>1</b>
	<b>002</b>	Programme Manager, Corporate Programme Office	<b>31/03/2020</b>	31/03/2022	<b>1</b>
	<b>014</b>	Fleet Manager	<b>30/04/2022</b>		<b>1</b>
	<b>017</b>	Archive and Support Services Manager/ Seized Property Manager	<b>30/09/2021</b>		<b>1</b>
	<b>018</b>	Archive and Support Services Manager/ Seized Property Manager	<b>30/09/2021</b>		<b>1</b>
	<b>020</b>	Health & Safety Administrator and Health & Safety Manager	<b>01/09/2021</b>		<b>1</b>
	<b>021</b>	Health & Safety Administrator	<b>01/10/2021</b>		<b>1</b>
	<b>022</b>	Health & Safety Administrator	<b>01/08/2021</b>		<b>1</b>
	<b>025</b>	Health & Safety Manager	<b>01/08/2021</b>		<b>1</b>
<b>026</b>	Health & Safety Manager	<b>01/11/2021</b>		<b>1</b>	
<b>3 Total</b>					<b>11</b>
<b>Grand Total</b>					<b>26</b>

Latest updates

No	ID	Job	Recommendation	P r i o r i t y	Management Comments	Responsible Officer	Due Date	Revised Due Date	Latest Response
001	244672	Cyber Security	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	02/02/2021 Update received from Programme Manager  Timelines for our deployment are now confirmed but our decision to use the Microsoft Enterprise Mobility and Security Suite will depend on the NEP Blueprint and our own internal requirements for reporting with Lumension. We will review this as we implement NEP over the next couple of years up until 2022.  04/06/2021 Update received from Programme Manager  This recommendation remains in progress and the update dated 02/02/2021 remains accurate
002	237156	GDPR Compliance Audit PO No FN27625	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	02/02/2021 Update received from Programme Manager  Just starting to understand GDPR controls and how we will cleanse and manage data from Group Drives into the new NEP SharePoint Structure with appropriate automated access controls and safeguards. Proposing a model with SPOCs who will be responsible for data within their department / business area and who will be given advice on how to best manage and maintain for GDPR / MOPI and given an enforced time window for migration of data away from Group Drives. This process will be supported as part of a structured transition for each business area.  04/06/2021 Update received from Programme Manager  This recommendation remains in progress and the update dated 02/02/2021 remains accurate
003	242655	Collaborative Review - Single Online Home	A detailed benefits analysis be completed by each force once Single Online Home has been fully implemented to determine the benefits arising from the use of Single Online Home.	2	National Team Benefit template docs have been completed. Nothing further possible until SOH implemented and figures received. This will allow post-project benefits to be monitored	Project Manager	30/10/2020	09/07/2021	01/07/2021 - Update received from Project Manager  Report is currently being compiled by the Information Development Manager and will be issued week ending 09/07/2021

004	244459	Governance - Corporate Communications	An Engagement Annual Report be produced as planned.	2	The Communication and Engagement Strategy was recently signed off following the appointment of a Comms and Engagement Officer in February 2020. The first annual report will be for 2020/21. To ensure transparency, in addition to publication on the OPCC website, the annual report will also be presented to the Police and Crime Panel alongside the PCC's Annual Report.	CEO, OPCC	30/09/2021		29/06/2021 Update received from Digital Communication & Engagement Officer  I can confirm that a draft of the report is nearing completion and is on track for overall completion by the due date listed.
005	247498	20/21 Expenses and additional payments	A reminder be sent to staff and line managers that a receipt is required to be submitted with expense claims and that claims are not to be approved in the absence of a receipt or a reasonable explanation for there being no receipt to support the expenditure.	2	It is important to note that when an individual makes a claim, the first screen has a notification stating "By submitting this claim you are certifying you have read, understood and adhered to the Expenses & Allowances policy found here" – you can then click on the toggle to open the policy. A "Need to Know" bulletin will be created and circulated force wide to remind claimants and line managers of their responsibilities. This will also be published on the SSF SharePoint site.	Payroll and Pensions Manager	31/03/2021	31/07/2021	04/06/2021 – Update received from SSF Manager – Posted to Fy Liais/My voice. <a href="http://intranet.nwp.net/busserv/YrSgwrs/SitePages/Home.aspx?action=ViewPosts&amp;fid=1002&amp;tid=14081">http://intranet.nwp.net/busserv/YrSgwrs/SitePages/Home.aspx?action=ViewPosts&amp;fid=1002&amp;tid=14081</a>  09/06/2021 - Update from Payroll & Pensions Manager - the "Need to Know" will be presented at my weekly meeting with the Head of Finance and SSF Manager for sign off; it will then need to be reviewed and published by the Governance & Policy Officer. Revise due date to 31/07/2021.
006	248258	20/21 Data Assurance	The Information Security Incident / Personal Data Breaches Procedure be reviewed and updated as necessary.  <b>The Information Security Incident Personal Data Breaches procedure V1.8 (Review date July 2020) was overdue review but the Data Protection Officers confirmed that it was unlikely to change (recommendation 248258 refers) - added this comment in from audit to clarify which procedure review required.</b>	3	The review of this procedure has commenced.	Head of IS&C	31/03/2021	30/07/2021	04/06/2021 - Update received from IS&C  On 13/5/21 the Policy Officer acknowledged that the procedure is with her and she would attempt to review it within the following couple of weeks. I haven't heard back yet; it is on my diary, but I am aware she has a great deal on her plate at present and do not intend to chase her as yet. In view of the nominal changes made, I still feel it is unlikely to need to go via consultation or Policy Board and its technically out of date status does not present a risk to the Force.

007	249421	20/21 Collaborative Project Review – Office 365	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		08/06/2021 Update received from Project Manager  IAM went live on 13th April 2021 which has delivered the minimum viable product. Further work is ongoing with the Business Systems and Project Team to develop the solution to enable the role based access.
008	249422	20/21 Collaborative Project Review – Office 365	Additional support be provided when on boarding officers attached to collaborative units who may have access to applications that have not been previously tested for compatibility with Windows 10.	2	NWP: Included in the approach to incrementally roll out MS365 and the NEP design team is a preparation phase where a SPOC will be identified within a team to be migrated first and test all application to ensure there are no issues.	Superintendent, SMT, Corporate Services	31/03/2022		08/06/2021 Update received from Project Manager  A software and app testing programme was completed early 2020 which has captured testing of the majority of apps within Force. Any outstanding or specialist apps being tested ahead of departmental rollout by the SPOCS as the Force progresses through the deployment.
009	249423	20/21 Collaborative Project Review – Office 365	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		08/06/2021 Update received from Project Manager  Progress is being made towards finalising maintenance and support agreements ahead of full rollout which is likely to be end of July. The aim is to complete these processes by end of July.
010	249424	20/21 Collaborative Project Review – Office 365	An appropriate information governance framework be implemented to manage the use of power apps.	2	NWP: A Systems Operating procedure (SysOps) will be developed for MS365 applications including PowerApps. Business rules are currently being established for each application. A DPIA covering the NEP solution has been produced. The need for a specific DPIA for PowerApps will be reviewed during the production of the SysOps.	Superintendent, SMT, Corporate Services	31/03/2022	31/07/2022	08/06/2021 Update received from Project Manager  Business rules exercise is complete and will form the guidelines as the full SysOps is developed. Decision made by CIO that SysOps will be developed in life. The NWP technical systems administrator support role for the NEP will take ownership of this SysOps development between July 2021 and July 2022.
011	249425	20/21 Collaborative Project Review – Office 365	A benefits realisation review be undertaken 12 to 18 months after the completion of the NEP Office 365 project.	2	NWP: To be conducted by the PMO	Superintendent, SMT, Corporate Services	30/09/2023		08/06/2021 Update received from Project Manager  A benefits review has been drafted as a requirement for the sign off gateway. This document will form an initial basis for the full benefits realisation review due September 2023.

012	249426	20/21 Collaborative Project Review – Office 365	The information asset registers at all three Forces be reviewed and updated subsequent to the implementation of Office 365 and SharePoint.	3	NWP: Information Asset Ownership is under review as part of our Business Rules work and production of SysOps to be completed prior to commencing full roll out April 2021. The roll out approach will be incremental with services taking ownership of their data held on Microsoft applications as they are on boarded.	Superintendent, SMT, Corporate Services	30/09/2022		08/06/2021 Update received from Project Manager  Information Asset owners have been assigned accordingly. Decision made by CIO that SysOps will be developed in life. The NWP technical systems administrator support role for the NEP will take ownership of this SysOps development between July 2021 and July 2022.
013	250326	20/21 Eastern Area – Command Unit	The training for the Fire Stewards at Llay and Deeside police stations be maintained and kept up-to-date.	2	Training fire stewards and trying to get courses back on track is ongoing; time line to get refresher training is three months from now. I am currently discussing this with Training. The timescale may increase if further Covid restrictions are encountered.	Health & Safety Manager	30/06/2021	01/09/2021	29/06/2021 Update received from H & S Manager  Due to Covid restrictions and social distancing a revised date of 01/09/2021 has been issued to fall in line with Forcewide training.  Refresher training courses have been scheduled but may be delayed if Covid restrictions continue.
014	251509	20/21 Fleet Management – Repairs	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 in to the design of the New Fleet Management system.	Fleet Manager	30/04/2022		01/07/2021 Update received from Fleet Manager  This is being done manually at present; the Fleet Operations Manager reports on high value jobs during weekly meetings
015	251995	20/21 Property Subject to Charge	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	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. 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. When audited – 9,247 exhibits were recorded on Niche as 'Checked out to Officer. The SP Manager has reviewed the list and taken action to reduce the list to 7,313 by 26/05/2021. 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.*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, which were historically issued and manually recorded on lists by Custody staff are returned and replaced by new stock via Niche Property.. The Seized Property Manager and SP Team have been Tasked to review, investigate and action the REMAINING 6,233 'Checked out to Officer' exhibits. 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. Refer MAP Rec 5 – Page 6 for Management Comment Actions relating to officer Training and Awareness 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	Seized Property Manager	30/11/2021		30/06/2021 Update received from Seized Property Manager  The current status of exhibits checked out to officers is as below:  2009/10 - 0 2010/11 - 0 2013 - 1 2014 - 2 2015 - 6 2016 - 11 2017 - 37 2018 - 303 2019 - 2245 2020 - 2016 2021 - 1060 Less captor sprays -1046 Balance outstanding - 4635  I have reviewed 1399 exhibits since 08/06/2021 and am currently working through the 2018 exhibits; all outstanding exhibits prior to this date have been reviewed and I am currently awaiting updates from officers/staff members.

016	251998	20/21 Property Subject to Charge	A programme of refresher training for Officers be established on the importance of the procedures required on the Niche Property Management system based on whatever actions undertaken by the Officers after the exhibits have been checked out.	2	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. The Archive and Support Services Manager and Seized Property Manager shall communicate and create awareness amongst Senior Management Teams, officers, police staff and Training Department about the requirement for officers and staff to adhere to the Standard Operating Procedure and Niche Property Management system – through the following communication programme:- Ongoing communication at Operational and Business SMT meetings Communication via 'Need to Know'; these bulletins are circulated to All NWP employees and are published on the force intranet. Communication with Training Department and ongoing input at Officer Probationer training sessions Ongoing communication with officers →Line Managers and input at Rota briefings	Archive and Support Services Manager/ Seized Property Manager	30/09/2021	30/06/2021 Update received from Seized Property Manager  Eastern, Central and Western SMT meetings attended on 27/05/2021; an email was then sent to the lead of the meeting to summarise our discussion/cascade to officers/staff in their area.  New officer input - first input meeting 17/05/2021 and have further dates scheduled in July and August. I will be continuing to give this input to ALL officers and PCSOs during their initial training.  I am awaiting dates for the rescheduled Economic Crime Group meeting.  I aim to provide rota briefings; however, they are currently not feasible as this stage due to COVID however i will commence as soon as possible.  Finally, I am putting together a "Need to Know" with the Archive Manager. This is to be discussed with the DFR at the next meeting to decide whether it is suitable to process/the best practice to cascade this "Need to Know" via SMT.
017	252006	20/21 Property Subject to Charge	A notification be issued to remind all Officers of the requirement to scan receipts signed by owners when exhibits have been returned to owners and to then send a 'Task' to the Seized Property Team to dispose of the exhibit in accordance with procedures.	3	The Property & Exhibit Standard Operating Procedure (SOP) Sections 5.3.9 requires officers to scan the signed copy of the receipt via the MFD to the property store file so that it can be updated on the RMS property management system Refer MAP Rec 5 – Page 6 for Management Comment Actions relating to officer Training and Awareness.	Archive and Support Services Manager/ Seized Property Manager	30/09/2021	30/06/2021 Update received from Seized Property Manager  Eastern, Central and Western SMT meetings attended on 27/05/2021; an email was then sent to the lead of the meeting to summarise our discussion/cascade to officers/staff in their area.  New officer input - first input meeting 17/05/2021 and have further dates scheduled in July and August. I will be continuing to give this input to ALL officers and PCSOs during their initial training.  I am awaiting dates for the rescheduled Economic Crime Group meeting.  I aim to provide rota briefings; however, they are currently not feasible as this stage due to COVID however i will commence as soon as possible.  Finally, I am putting together a "Need to Know" with the Archive Manager. This is to be discussed with the DFR at the next meeting to decide whether it is suitable to process/the best practice to cascade this "Need to Know" via SMT.



018	252009	20/21 Property Subject to Charge	A Notification be issued to remind all Officers of the need to record a more complete and accurate description of exhibits on the system (current and new). Where applicable the details should match the description recorded on the actual exhibit.	3	The Property & Exhibit Standard Operating Procedure (SOP) Sections 5.3.1 requires officers to: Provide full details of the exhibit Include a full description of the item/s and a visual observation of the condition of the exhibit. Where available serial numbers and other identification marks Refer MAP Rec 5 – Page 6 for Management Comment Actions relating to officer Training and Awareness.	Archive and Support Services Manager/ Seized Property Manager	30/09/2021	Update received from Seized Property Manager  Eastern, Central and Western SMT meetings attended on 27/05/2021; an email was then sent to the lead of the meeting to summarise our discussion/cascade to officers/staff in their area.  New officer input - first input meeting 17/05/2021 and have further dates scheduled in July and August. I will be continuing to give this input to ALL officers and PCSOs during their initial training.  I am awaiting dates for the rescheduled Economic Crime Group meeting.  I aim to provide rota briefings; however, they are currently not feasible as this stage due to COVID however i will commence as soon as possible.  Finally, I am putting together a "Need to Know" with the Archive Manager. This is to be discussed with the DFR at the next meeting to decide whether it is suitable to process/the best practice to cascade this "Need to Know" via SMT.
019	252116	21/22 Western Area - Command Unit	Training for fire marshals at Llangefni and Caernarfon police stations be maintained and kept up-to-date.	2	We note that the auditor recognises that H&S training has been affected due to COVID. Moving forward, we will ensure that the issues highlighted will be addressed, our training processes strengthened and maintain up to date records. We will focus on training the right staff at both locations in line with the recommendation. The H&S Administrator has been tasked to liaise with the members of staff and the Training Department. The list of Fire Marshalls at both locations will be amended to reflect the correct information. Worthy of note, is that SPOCS have a responsibility to inform the H&S Unit when Fire Marshals move to other locations/role so that records are kept up to date in line with our legislative responsibilities. Without this information, the H&S unit cannot maintain accurate records.	Health & Safety Administrator	01/09/2021	New received 29/06/2021
020	252117	21/22 Western Area - Command Unit	A process be established whereby those with oversight for health and safety are made aware of when fire marshal training is due to expire, for example via the standing agenda item 'Training Update' for the Health and Safety Management Committee.	3	In partnership with the Training Department, we will establish a new sustainable process to capture re-training requirements for fire marshals, including identifying other members of staff for training. We will consider including this matter as a standing agenda / training update for the HSMC Meetings. Furthermore, we will liaise further with the Training Department and SMTs to develop an effective, sustainable training plan.	Health & Safety Administrator and Health & Safety Manager	01/09/2021	New received 29/06/2021

021	252118	21/22 Western Area - Command Unit	A process be established for the identification by the Health and Safety team of movements in staff affecting fire marshal cover at various sites.	3	We note the Auditor's recommendation. We will establish a process to identify fire marshal's movements across the force - the Health and Safety Administrator will be tasked to do this, review our records on a regular basis and take appropriate action to ensure that records are up to date and valid. We will raise the matter with SMTs and Service Leads, requesting local SPOCS and supervisors to assist the H&S unit in this important area of fire safety. We will also raise awareness with all force fire marshals during training/refresher requesting that they advise the H&S unit when they move stations/roles.	Health & Safety Administrator	01/10/2021		New received 29/06/2021
022	252119	21/22 Western Area - Command Unit	A process be established for ensuring the accident reporting system correctly reflects the number of RIDDOR reports submitted to the Health and Safety Executive (HSE).	3	We note the auditor's finding. In order to improve our reporting processes, the H&S Administrator will ensure that the correct information is captured and recorded on each occasion on injury reports which are RIDDOR reportable. The H&S Administrator will ensure that this is achieved by cross referencing every form and endorsing them correctly in line with the recommendation.	Health & Safety Administrator	01/08/2021		New received 29/06/2021
023	252193	21/22 Health and Safety Managemen t	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	Further work is ongoing to strengthen the mechanism behind the reporting of RIDDORs to achieve timely reporting to HSE in all instances. 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. 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. Moving forward, and for the avoidance of doubt, late submissions of RIDDOR reports to HSE is not acceptable under any circumstances. We believe that consistency of approach is key, coupled with Training and educating Line Managers regarding their responsibilities. 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. Furthermore, we have requested that the Training Department cover the above issue with new recruits, newly promoted Sergeants and Inspectors.	Health & Safety Manager	01/09/2021		New received 05/07/2021

024	252195	21/22 Health and Safety Management	Procedures be put in place to further encourage line management input on A879 (accidents) and HS1 (near-miss) forms to achieve a more acceptable response rate.	2	For clarity, examples of key messages already circulated to raise awareness have been sent to the auditor - namely an email from the Corporate Services Superintendent to all NWP employees and an email to/from the Business Managers in LPS. The H&S team will develop and publish a simple "need to know" guide for Managers, which will be available on the H&S web site. Furthermore, the Chief Officer's H&S presentation will be used to raise awareness with senior managers/service leads so that information can be cascaded to Line Managers	Health & Safety Administrator and Health & Safety Manager	01/09/2021		New received 05/07/2021
025	252197	21/22 Health and Safety Management	Arrangements be put in place for more timely action by Health and Safety in relation to DSE assessments.	3	It must be recognised that Line Managers have a responsibility to identify and implement improvements when DSE issues have been identified by staff, and where necessary contact the HSM within a reasonable time scale. This is not always happening, which affects time scales/closure of DSE forms as referred to by the Auditor. Line Managers will be reminded of this as part of our publicity/raising awareness campaign. The HSM or Administrator will always assess DSE forms submitted on to the H&S system and offer support and advice. All purchasing/budgetary issues should be addressed by respective Business Managers not the H&S forms as referred to by the Auditor.	Health & Safety Manager	01/08/2021		New received 05/07/2021
026	252198	21/22 Health and Safety Management	The fairly low attendance of the Health and Safety Management Committee be addressed, for example by review of the current membership requirement as stated in the Committee's Terms of Reference.	3	We have recently reviewed membership in line with the requirements of the Terms of Reference. Membership has been discussed at the January and April 2021 HSMs and new members appointed. The Committee is satisfied with the current level of representatives. The HSM has discussed with Managers (OHU and Training) the importance of representatives from their Departments attending HSM Quarterly meetings In the event of core members not being available, for example, due to leave and operational commitments, the HSM has asked for a suitable representative to attend meetings. This matter will be discussed in more details at the next HSM meeting on the 29/07/2021. In the event of a suitable person not being available do to operational/personal commitments we will continue to request written "updates" from the Department/s concerned.	Health & Safety Manager	01/11/2021		New received 05/07/2021

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



Internal Audit

FINAL

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

Assurance Review of Health and Safety Management

**2021/22**

July 2021

# Executive Summary

**OVERALL ASSESSMENT**

The diagram shows a circular gauge with the text 'Adequate & effective governance, risk and control processes' around the top edge. Inside the gauge, the word 'LIMITED ASSURANCE' is displayed. To the right of the gauge is a vertical scale with four colored segments: green (Substantial Assurance), yellow (Reasonable Assurance), orange (Limited Assurance), and red (No Assurance). The orange segment is highlighted, indicating the current assurance level.

**ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE**

No risks currently included on the Force Risk Register in relation to health and safety.

**KEY STRATEGIC FINDINGS**

- Deadlines for reporting RIDDOR incidents (Reporting of Injuries, Diseases and Dangerous Occurrences) to the Health and Safety Executive (HSE) are not being met.**
- Evidence of fire and safety equipment testing is generally not being maintained.**
- Line manager input is required on accident and near-miss forms in order to facilitate the work of Health and Safety staff.**
- It is recommended that Health and Safety staff undertake annual audits of arrangements to identify non-compliance with legislative requirements.**

**GOOD PRACTICE IDENTIFIED**

- A site visit to Headquarters identified that arrangements are well underway to rearrange and prepare offices for agile working post-pandemic.**
- Actions arising from Health and Safety Management Committee meetings were evidenced to be continually discussed and updated.**



**SCOPE**

The review appraised: the adequacy of the arrangements for managing the health and safety requirements of the organisation. The review considered the arrangements for compliance with key requirements of health and safety legislation but does not represent an exhaustive review of compliance with all health and safety legislation and cannot be relied upon as such.

**ACTION POINTS**

Urgent	Important	Routine	Operational
2	2	2	1

# Assurance - Key Findings and Management Action Plan (MAP)

Rec	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Sample testing of five RIDDOR - Reporting of Injuries, Diseases and Dangerous Occurrences incidents identified that the reporting deadline of 15 days set by the Health and Safety Executive (HSE) had been missed on four occasions. While it was evidenced that North Wales Police has put measures in place to strengthen the mechanism behind the meeting of HSE deadlines with a view of influencing a change in attitude and raising awareness with local managers, further work is needed ensure full compliance with this legal requirement.</p> <p>The measures already put in place to address the matter included making contact with the HSE to seek advice on the issue, escalating the matter to the attention of those who can provide an organisation-wide influence in relation to line managers' responsibility in the timely and accurate reporting of accidents and utilising the Health and Safety intranet to provide relevant information and support.</p> <p>Furthermore, the Health and Safety Manager stated that the HSE advised that the Health and Safety Manager the late submission of these four RIDDORs would be accepted on the basis that North Wales Police provides clear reasons to support the missed deadline. However, from a</p>	<p>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.</p>	1	<p><i>Further work is ongoing to strengthen the mechanism behind the reporting of RIDDORs to achieve timely reporting to HSE in all instances.</i></p> <p><i>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&amp;S Policy.</i></p> <p> Health and Safety Policy 123 v9.2.doc</p> <p><i>It must be emphasised the H&amp;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> Managers toolkit - v5.docx.pdf</p> <p><i>Moving forward, and for the avoidance of doubt, late submissions of RIDDOR reports to</i></p>	01/09/21	Health and Safety Manager

PRIORITY GRADINGS

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

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

Rec	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
		reputational perspective delays should be exceptional.			<p><i>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&amp;S issues and seek guidance in key areas of H&amp;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>		
3	Directed	<p>On a sample basis, it was identified that evidence was not adequately being maintained of routine tests carried out on fire and safety equipment at Headquarters Main Building and Alexandra House, Colwyn Bay.</p> <p>Appendix C details the sample testing carried out. It must be noted that the process for maintaining a record of tests carried out is an automated process whereby 'tasks' are sent to staff to inform them that particular tests need to be carried out. Staff are required to mark the tasks as being 'completed' once they have been undertaken. The date the majority of the tests were marked as complete was the 13<sup>th</sup> May 2021, which was the date the information was requested by the auditor.</p>	Confirmation of completion of assigned tasks be recorded on a timely basis as evidence that routine fire and safety equipment tests have been undertaken.	1	<p><i>We have implemented "spot checks" to ensure that assigned tasks are recorded correctly and on time. This is done by interrogating H&amp;S records on a regular basis.</i></p> <p><i>The HSM has briefed staff responsible for conducting and recording findings on the automated system.</i></p> <p><i>To further enhance this process a monitoring system will also be introduced to ensure compliance, including regular meetings with those responsible for carrying out the checks in Force Headquarters and Alexandra House.</i></p>	Complete	Health and Safety Administrator

PRIORITY GRADINGS

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

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.



Rec	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	A review of a sample of 20 A879 (accident) forms confirmed that line manager input is not always provided, a matter that had already been identified by the Health and Safety Manager with measures having been put in place to address the issue, which included a force-wide message circulated to all employees in May 2021 reminding staff and line managers to complete injury and near miss reports correctly. The same issue was identified for HS1 (near-miss) forms which is an identical process to that for A879s.	Procedures be put in place to further encourage line management input on A879 (accidents) and HS1 (near-miss) forms to achieve a more acceptable response rate.	2	<p><i>For clarity, examples of key messages already circulated to raise awareness have been sent to the auditor - namely an email from the Corporate Services Superintendent to all NWP employees and an email to/from the Business Managers in LPS</i></p> <p><i>The H&amp;S team will develop and publish a simple "need to know" guide for Managers, which will be available on the H&amp;S web site.</i></p> <p><i>Furthermore, the Chief Officer's H&amp;S presentation will be used to raise awareness with senior managers/service leads so that information can be cascaded to Line Managers</i></p>	01/09/21	Health and Safety Manager and Health and Safety Administrator

PRIORITY GRADINGS

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

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

Rec	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Directed	The Force has identified the need to train staff to use the evacuation chair at Headquarters Main Building although this has not yet happened. Covid regulations and the requirement to social distance has had an impact on the Force's training programme causing the delay in addressing this issue.	Staff members be trained to use the evacuation chair at Headquarters Main Building as soon as Covid regulations allow. In the interim a risk assessment needs to be in place to ensure that the Force knows if anybody requiring evacuation is working on site and that if so there is an appropriately trained resource on site in the event of an incident.	2	<p><i>The HSM has liaised with the Training Manager who has agreed to include the use of Evacuation Chairs as part of Fire Steward Training.</i></p> <p><i>The HSM has received a DVD for EC Training from an external training provider and details of "Train the Trainer" information aimed to overcome the issues highlighted by the Auditor.</i></p> <p><i>We have established that no member of staff is currently working at FHQ who requires an Evacuation Chair in the event of an emergency evacuation of the building.</i></p> <p><i>Emergency evacuation exercises have not been scheduled due to the small number of staff working at FHQ and COVID restrictions. Our risk assessment has been reviewed and amended accordingly by the HSM to reflect the above.</i></p>	Complete	Health and Safety Manager

PRIORITY GRADINGS

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

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

Rec	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	Sample testing of 10 Display Screen Equipment (DSE) forms identified that, of the four instances where issues were reported via the forms, the period of time between the completion of the assessment and Health and Safety action was lengthy in one case, with Health and Safety action still pending for a further two.	Arrangements be put in place for more timely action by Health and Safety in relation to DSE assessments.	3	<p><i>It must be recognised that Line Managers have a responsibility to identify and implement improvements when DSE issues have been identified by staff, and where necessary contact the HSM within a reasonable time scale. This is not always happening, which affects time scales/closure of DSE forms as referred to by the Auditor.</i></p> <p><i>Line Managers will be reminded of this as part of our publicity/raising awareness campaign.</i></p> <p><i>The HSM or Administrator will always assess DSE forms submitted on to the H&amp;S system and offer support and advice.</i></p> <p><i>All purchasing/budgetary issues should be addressed by respective Business Managers not the H&amp;S forms as referred to by the Auditor.</i></p>	01/08/21	Health and Safety Manager

PRIORITY GRADINGS

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

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

Rec	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Delivery	<p>Among the standing agenda items for the quarterly Health and Safety Management Committee (HSMC) meetings are a Wellbeing and Occupational Health Unit Update and Training Plan. A review of a sample of Committee papers identified that those responsible for providing the updates were not consistently present at meetings with no representatives attending on their behalf.</p> <p>It was advised that when key representatives are unable to attend meetings the Health and Safety Manager will normally receive an update report, prior to a meeting. A review of a sample of Committee minutes however identified that the number of apologies received per meeting raises the risk that the Committee does not achieve the required breadth of membership consisting of force-wide representatives as noted in its Terms of Reference. There were no issues identified however in relation to ensuring the quorum for each meeting.</p>	The fairly low attendance of the Health and Safety Management Committee be addressed, for example by review of the current membership requirement as stated in the Committee's Terms of Reference.	3	<p><i>We have recently reviewed membership in line with the requirements of the Terms of Reference. Membership has been discussed at the January and April 2021 HSMs and new members appointed.</i></p> <p><i>The Committee is satisfied with the current level of representatives.</i></p> <p><i>The HSM has discussed with Managers (OHU and Training) the importance of representatives from their Departments attending HSM Quarterly meetings</i></p> <p><i>In the event of core members not being available, for example, due to leave and operational commitments, the HSM has asked for a suitable representative to attend meetings.</i></p> <p><i>This matter will be discussed in more details at the next HSM meeting on the 29/07/2021.</i></p> <p><i>In the event of a suitable person not being available do to operational/personal commitments we will continue to request written "updates" from the Department/s concerned.</i></p>	01/11/21	Health and Safety Manager

PRIORITY GRADINGS

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

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

## Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Delivery	<p>Given the nature of the findings within this report, with particular focus on the recommendation in relation to the testing of fire and safety systems and equipment, it would be prudent for Health and Safety staff to undertake annual checks of arrangements to enable prompt identification of issues internally.</p> <p>Due to the geographical size of the Force, and the number of properties it operates, it is advised that the checks are initially undertaken at Headquarters with a view of extending to further properties if deemed practical, prioritising those which are considered to be of the greatest risk.</p>	Annual Health and Safety checks be undertaken for prompt identification and rectification of non-compliance with legislative requirements.	<p><i>The HSM and Administrator will undertake annual checks at Police Headquarters, Colwyn Bay as suggested by the Auditor to ensure compliance with legislative requirements</i></p> <p><i>The first round of checks will commence in October 2021</i></p> <p><i>Records of such checks retained.</i></p>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

## Findings



### Directed Risk:


Failure to properly direct the service to ensure compliance with the requirements of the organisation.


Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	<b>Governance Framework</b> There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	<b>Risk Mitigation</b> The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	<b>Compliance</b> Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Not in place	1, 2, 3, 4 & 5	-


### Other Findings


- North Wales Police has in place a current and approved Health and Safety Policy, signed by the Chief Constable and Police and Crime Commissioner in February 2021. Discussion with the Health and Safety Manager identified that it is recognised that the approval of the recently elected new Police and Crime Commissioner will be required on the Policy although as this review was carried out during the first week of the new Commissioner in post, it is accepted that this will happen in due course.
- A Health and Safety Management Committee (HSMC) is in place to monitor the management of health and safety arrangements for which a current Terms of Reference is in place. The HSMC reports to the Strategic Finance & Resources Board (SF&RB) and is to provide reassurance to the SF&RB that the Health and Safety policies, procedures and processes are in place to meet the Force's legislative obligations.
- There are currently no risks included in the Force Risk Register in relation to Health and Safety although at operational level, Emerging Risks is a standing agenda item for the HSMC. Given the number and nature of the control weaknesses identified within this review, consideration should be given to including health and safety matters on the Force Risk Register until assurance is provided that the controls are firmly established (Operational Effectiveness Matter 1 refers).


## Other Findings


- 


There were 13 instances of RIDDOR - Reporting of Injuries, Diseases and Dangerous Occurrences between 1<sup>st</sup> March 2020 and 1<sup>st</sup> March 2021. Sample testing of five incidents identified that the reporting deadline set by the Health and Safety Executive (HSE) had been missed on four occasions, see Appendix C – Table 1 for details. Taking into consideration the contributory factors affecting the meeting of HSE deadline for reporting RIDDORs (report must be made within 15 days of the accident) and the measures that were evidenced to have been already taken by North Wales Police in this regard, further action is needed for strengthening the mechanism leading to the submission of such reports (recommendation 1 refers).
- 

A879 Forms are completed for reporting accidents which, since the launch of the new reporting system in March 2020, is an electronic form. HS1 (“near-misses”) and Display Screen Equipment (DSE) Forms are also accessed in the same way. RIDDORs are identified by the Health and Safety staff by review of A879 Forms and determining the nature and severity of the injury sustained.
- 

A review of a sample of 20 A879 forms submitted between April 2020 and March 2021 confirmed that line manager input is not always provided. This matter had already been identified by the Health and Safety Manager and measures have been put in place to address the issue. Of the sample of 20, twelve did not have line manager input recorded. Line management review of accidents not only evidences duty of care towards the employee but furthermore supports the Health and Safety staff in making an informed decision whether further action is required or whether the case can be closed for health and safety purposes. The same issue was identified for HS1 Forms, where a sample of five identified that two did not have line manager input recorded (recommendation 2 refers).
- 

Sample testing carried out on fire and safety equipment at Headquarters Main Building and Alexandra House, Colwyn Bay identified that evidence was not adequately being maintained for routine tests and checks, see Appendix C – Table 2 for details (recommendation 3 refers).
- 

The Force has identified the need to train staff to use the evacuation chair at Headquarters Main Building although this has not yet happened (recommendation 4 refers).
- 

Records showed that 6-monthly evacuation drills at Alexandra House and another site at Headquarters (Llety'r Dryw) were last undertaken on 3<sup>rd</sup> December 2019 and 19<sup>th</sup> December 2019 respectively. Both buildings have been open and operational to some extent throughout lockdown so ordinarily it would be considered necessary that evacuation drills would need to be carried out. However, it was advised that the Force has suspended fire-drills to protect employees’ safety in relation to Covid and to protect the organisation’s reputation in following Covid regulations. This practice has been noted at other clients during the pandemic.
- 

A sample of 10 Display Screen Equipment (DSE) forms was selected for testing, see Appendix C - Table 3 for details. It was identified, of the four instances where issues were reported via the forms, the period of time between completion of the assessment and Health and Safety action being taken was lengthy in one case, with Health and Safety action still pending for two (recommendation 6 refers).



**Delivery Risk:**

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	<b>Performance Monitoring</b> There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	6	-
FC	<b>Financial Constraint</b> The process operates within the agreed financial budget for the year.	In place	-	-
R	<b>Resilience</b> Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	1

**Other Findings**



In addition to a Health and Safety Management highlight report prepared by the Health and Safety Manager, among the standing agenda items for the quarterly Health and Safety Management Committee (HSMC) are Wellbeing and Occupational Health Unit Update and Training Plan. A review of the Committee Papers for July 2020, October 2020 and January 2021 identified that those responsible for providing those updates were present at a rate of one in three meetings (33%) with no representatives attending on their behalf (recommendation 7 refers).

Day-to-day responsibilities for Health and Safety lie with the Health and Safety Manager who reports to the Archive and Support Services Manager and in turn to the Head of Facilities & Fleet - Assistant Director. The Health and Safety Manager is supported by a Health and Safety Administrator who is currently working on a fixed-term contract. Funding has been confirmed for this to be made a permanent post. The Health and Safety Manager has a direct reporting line to the Director of Finance of Resources for Health and Safety Matters to whom monthly Health and Safety Highlight Reports are presented via the Head of Facilities and Fleet at Senior Management Team (SMT) meetings.



Given the number of control weaknesses identified in this report it would be prudent to undertake annual Health and Safety audits of arrangements to enable prompt identification of issues internally (recommendation 8 refers).



## Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

## Disclaimer

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

## Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

<b>In place</b>	The control arrangements in place mitigate the risk from arising.
<b>Partially in place</b>	The control arrangements in place only partially mitigate the risk from arising.
<b>Not in place</b>	The control arrangements in place do not effectively mitigate the risk from arising.

## Assurance Assessment

4. The definitions of the assurance assessments are:

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

## Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

## Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
<b>Audit Planning Memorandum:</b>	1 <sup>st</sup> April 2021	1 <sup>st</sup> April 2021
<b>Draft Report:</b>	24 <sup>th</sup> May 2021	
<b>Revised Draft Report:</b>	18 <sup>th</sup> June 2021	30 <sup>th</sup> June 2021
<b>Final Report:</b>	5 <sup>th</sup> July 2021	

# AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	Police & Crime Commissioner North Wales and Chief Constable North Wales Police		
<b>Review:</b>	Health and Safety Management		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	Principal Auditor
<b>Outline scope (per Annual Plan):</b>	The review appraised: the adequacy of the arrangements for managing the health and safety requirements of the organisation. The review considered the arrangements for compliance with key requirements of health and safety legislation but does not represent an exhaustive review of compliance with all health and safety legislation and cannot be relied upon as such.		
<b>Detailed scope will consider:</b>	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Financial constraint: The process operates with the agreed financial budget for the year.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
<b>Requested additions to scope:</b>	None.		
<b>Exclusions from scope:</b>	As above.		
<b>Planned Start Date:</b>	10/05/2021	<b>Exit Meeting Date:</b>	19/05/2021
		<b>Exit Meeting to be held with:</b>	Health and Safety Manager

### SELF ASSESSMENT RESPONSE

<b>Matters over the previous 12 months relating to activity to be reviewed</b>	<b>Y/N (if Y then please provide brief details separately)</b>
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	Y – Health and Safety Manager post was vacant for around 12 months prior to the current appointment in November 2019. For approximately 4 months the post was backfilled by the Archive and Support Services Manager, supported on an ad-hoc basis by an external Consultant with Risk Assessments.
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

## ADDITIONAL FINDINGS

## Appendix C

**Table 1: RIDDOR - Reporting of Injuries, Diseases and Dangerous Occurrences**

Incident Date	Date Reported to HSE	Number of Days between Incident and Report to HSE	Number of Days Overdue (report must be made within 15 days of the accident)	Comments
18/02/2020	31/03/2020	42	27	Health and Safety Manager new in post (appointed November 2019), no back office support and at the time North Wales Police were developing a new Health and Safety reporting system. Extracting and recording information was problematic including management of RIDDOR related matters. Furthermore at the time of receiving the accident report it was not clear from line manager comments that the Officer had in fact sustained a fracture. It later transpired that he had, several days later, hence delay in submission of RIDDOR report.
31/05/2020	19/06/2020	19	4	Lack of back office support and involvement with other key Health and Safety responsibilities and COVID contributed to submission of RIDDOR form not being submitted within timescale.
15/06/2020	19/06/2020	4	-	Deadline met.
10/11/2020	29/12/2020	49	34	Initially Injury Report did not stipulate "fracture", therefore RIDDOR report was not considered. Some weeks later on the 15 <sup>th</sup> December 2020 during a meeting with Police Federation representatives (of which injured Officer is a member of), the Health and Safety Manager was made aware that the Officer had actually received a "fracture" and RIDDOR report submitted to HSE. Furthermore, the Health and Safety Administrator had attempted to obtain further information concerning injury, evidence of which was provided as part of this review.
26/02/2021	06/04/2021	39	24	Workload, COVID related matters causing difficulties.

**Table 2: Fire and Safety Testing**

Test	Expected Frequency	Headquarters Main Building		Alexandra House	
		Due Date	Date Marked as Complete	Due Date	Date Marked as Complete
Fire Alarm	Weekly	16/05/2021	13/05/2021	12/05/2021	13/05/2021
		09/05/2021	13/05/2021	05/05/2021	12/05/2021
		02/05/2021	13/05/2021	28/04/2021	04/05/2021
		25/04/2021	13/05/2021	21/04/2021	21/04/2021
		18/04/2021	13/05/2021	14/04/2021	12/04/2021
		11/04/2021	13/05/2021	07/04/2021	07/04/2021
		04/04/2021	13/05/2021	No information supplied	No information supplied
		28/03/2021	13/05/2021	No information supplied	No information supplied
		21/03/2021	13/05/2021	No information supplied	No information supplied
		14/03/2021	13/05/2021	No information supplied	No information supplied
Disabled Toilet Alarm	Weekly	15/05/2021	13/05/2021	23/05/2021	13/05/2021
		09/05/2021	13/05/2021	16/05/2021	13/05/2021
		02/05/2021	13/05/2021	09/05/2021	13/05/2021
		25/04/2021	13/05/2021	02/05/2021	13/05/2021
		18/04/2021	13/05/2021	25/04/2021	13/05/2021
		11/04/2021	13/05/2021	18/04/2021	13/05/2021
		04/04/2021	13/05/2021	11/04/2021	13/05/2021
		28/03/2021	13/05/2021	04/04/2021	13/05/2021
		21/03/2021	13/05/2021	28/03/2021	13/05/2021
		14/03/2021	13/05/2021	21/03/2021	13/05/2021

Test	Expected Frequency	Headquarters Main Building		Alexandra House	
		Due Date	Date Marked as Complete	Due Date	Date Marked as Complete
Fire Inspection	Monthly	23/04/2021	13/05/2021	23/05/2020	13/05/2021
		23/03/2021	13/05/2021	23/04/2020	13/05/2021
		23/02/2021	13/05/2021	23/03/2020	13/05/2021
		23/01/2021	13/05/2021	23/02/2020	13/05/2021
		23/12/2020	13/05/2021	23/01/2020	13/05/2021
		23/11/2020	13/05/2021	23/12/2019	13/05/2021
		23/10/2020	13/05/2021	No information supplied	No information supplied

\*NB: 13<sup>th</sup> May 2021 was during the week of the review. Automated 'tasks' are sent to staff to inform them that tests need to be carried out. Staff are to mark the tasks as 'completed' once the tests have been undertaken.

**Table 3: Display Screen Equipment (DSE)**

Date of Assessment	Issues Reported (Y/N)	Line Manager Actioned	Health and Safety Actioned
03/04/2020	N	None required	None required
28/05/2020	N	None required	None required
15/07/2020	Y	15/07/2020	30/10/2020
11/08/2020	N	None required	None required
14/08/2020	N	None required	None required
13/09/2020	N	None required	None required
15/09/2020	Y	15/09/2020	17/09/2020
13/10/2020	Y	13/10/2020	Pending
27/10/2020	N	None required	None required
28/01/2021	Y	None required	Pending

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

Summary Internal Controls Assurance (SICA) Report

**2021/22**

July 2021

# Summary Internal Controls Assurance

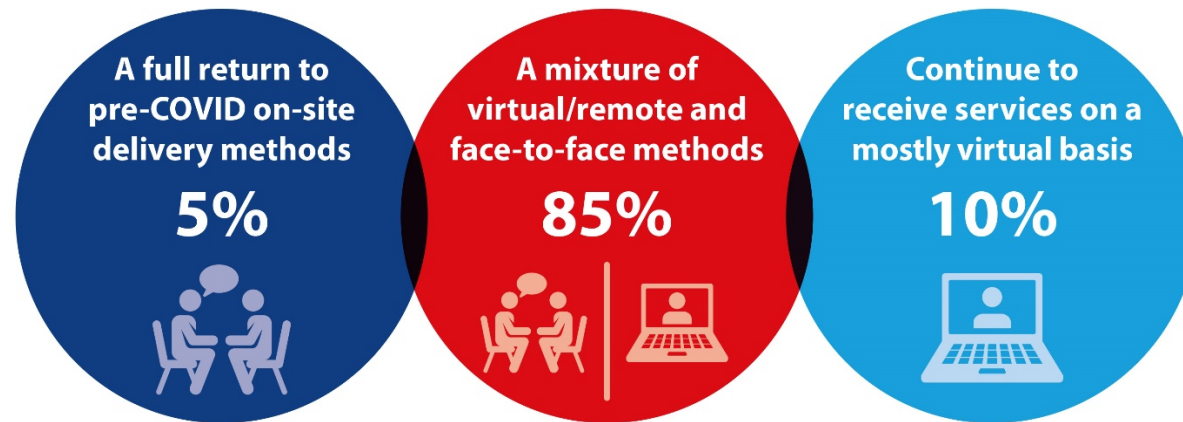
## Introduction

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 5<sup>th</sup> July 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.

*How our clients would like their organisation's assurance services provided*



3. Whichever model is adopted, we will continue to consider the impact on Governance, Risk and Internal Control of any changes to working practices.

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

4. The table below sets out details of audits finalised since the previous meeting of the Joint Audit Committee. The report includes work completing the 2020/21 audit year in addition to work that has been undertaken on the 2021/22 plan.

##### *Audits completed since previous SICA report - 2020-21 Audit Work*

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Collaborative Review – Budgetary Control	Substantial	25 <sup>th</sup> January 2021	30 <sup>th</sup> March 2021	1 <sup>st</sup> April 2021	-	-	-	-
Eastern Area – Command Unit	Reasonable	10 <sup>th</sup> March 2021	25 <sup>th</sup> March 2021	30 <sup>th</sup> March 2021	-	2	5	1
Procurement	Substantial	28 <sup>th</sup> April 2021	29 <sup>th</sup> April 2021	30 <sup>th</sup> April 2021	-	-	-	-
Fleet Management – Repairs and Maintenance	Reasonable	29 <sup>th</sup> March 2021	24 <sup>th</sup> May 2021	25 <sup>th</sup> May 2021	-	3	4	-
ICT Infrastructure	Substantial	26 <sup>th</sup> May 2021	4 <sup>th</sup> June 2021	9 <sup>th</sup> June 2021	-	-	-	-
Collaborative Strategic Resource Planning	Substantial	4 <sup>th</sup> June 2021	15 <sup>th</sup> June 2021	16 <sup>th</sup> June 2021	-	-	-	-
Property Subject to Charge	Limited	18 <sup>th</sup> May 2021	16 <sup>th</sup> June 2021	18 <sup>th</sup> June 2021	1	9	5	3

All 2020/21 audit work has been completed.

##### *Audits completed since previous SICA report - 2021-22 Audit Work*

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Western Area Command Unit	Reasonable	2 <sup>nd</sup> June 2021	29 <sup>th</sup> June 2021	29 <sup>th</sup> June 2021	-	1	3	1
Health and Safety Management	Limited	18 <sup>th</sup> June 2021	30 <sup>th</sup> June 2021	5 <sup>th</sup> July 2021	2	2	2	1

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

#### Progress against the 2020/21 and 2021/22 Annual Plans

6. Our progress against the Annual Plan for 2020/21 and 2021/22 are set out in Appendix B. All 2020/21 audit work has been completed and an annual report has been prepared summarising the outcome of the work undertaken.

#### Changes to the Annual Plan 2021/22

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



### Progress in actioning priority 1 recommendations

8. We have made three Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. The table below summarises the extent to which confirmation has been received that management actions have been taken that the risk exposure identified has been effectively mitigated. More information is provided in Appendix C.

*Mitigating risk exposures identified by internal audit reviews*

Review	Date	Priority 1		
Property Subject to Charge	19/04/2021	-	1	-
Health and Safety Management	10/05/2021	1	1	-

### Root Cause Indicators

9. 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 1 (2020/21)	Qtr 2 (2020/21)	Qtr 3 (2020/21)	Qtr 4 (2020/21)	Qtr 1 (2021/22)	Medium term Direction of Travel	Audit Observation
<b>Directed</b>							
Governance Framework	N/A	N/A	67% (2)	12% (5)	-		The percentage has decreased over the past two quarters
Risk Mitigation	-	-	-	-	-	N/A	No recommendations to compare
Control Compliance	-	-	33% (1)	86% (36)	90% (9)		The percentage has increased over the past two quarters as the number of recommendations has also increased reflecting the two limited assurance audit reports.
<b>Delivery-</b>							
Performance Monitoring	-	-	-	2% (1)	10% (1)		The percentage of recommendations has increased over the past two quarters although the number has remained consistent.
Financial Constraint	-	-	-	-	-	N/A	No recommendations to compare
Resilience	-	-	-	-	-	N/A	No recommendations to compare

**Frauds/Irregularities**

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

**Other Matters**

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

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

Briefing Note	Management Response
Cyber - The Importance of Preparedness	To be provided by North Wales Police
NAO Good Practice Guidance: Fraud and Error	
Liverpool City Council Best Value Inspection December 2020 – March 2021	
National Audit Office – Guidance for Senior Leaders to improve operational delivery	
Grenfell Inquiry Fire Safety Bill	

Fraud Alert	Management Response
COVID-19 Air Purifying Device Scam	To be provided by North Wales Police
Smishing Texts from Banks	
COVID-19 Vaccine Passport Scam	

**Responsibility/Disclaimer**

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

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## Executive Summaries and Management Action Plans

The following Executive Summaries and Management Action Plans are included for information as part of the agenda. Where a review has a 'Limited' or 'No' Assurance assessment the full report will be presented to the Joint Audit Committee.

Review	Evaluation
<b>2020/21 Audit Plan</b>	
Collaborative Review – Budgetary Control	Substantial
Eastern Area – Command Unit	Reasonable
Procurement	Substantial
Fleet Management – Repairs and Maintenance	Reasonable
ICT Infrastructure	Substantial
Collaborative Strategic Resource Planning	Substantial
Property Subject to Charge	Limited
<b>2021/22 Audit Plan</b>	
Western Area Command Unit	Reasonable
Health and Safety Management	Limited

## Progress against Annual Plan 2020-21

System	Planned Quarter	Current Status	Comments
<b>Collaborative – Pan Wales</b>			
Risk Management – Mitigating Controls	2	Final report issued 7 <sup>th</sup> January 2021	Presented to March 2021 JAC
Vetting of Contractors	2	Final report issued 4 <sup>th</sup> September 2020	Presented to October 2020 JAC
Collaborative Project Review – Office 365 (part of National Enabling programme)	2	Final report issued 17 <sup>th</sup> February 2021	Presented to March 2021 JAC
Collaborative Budgetary Control	3	Final report issued 1 <sup>st</sup> April 2021	Lead force = Dyfed-Powys
Procurement	3	Cancelled	It was agreed that North Wales will be considered separately from the collaborative audit which is focusing on the Joint Procurement Unit that is being established in South Wales. See Procurement review below.
Strategic Resource Planning	3	Final report Issued 16 <sup>th</sup> June 2021	
Collaborative Project Review – Early Action Together (Adverse Childhood Experiences ACES Project)	4	Cancelled	North Wales Police have decided not to participate in this review as the project is no longer funded. An alternative option – Cyber Security of Pensions has been suggested.
Liaison with Audit Wales	1-4		Attendance at Police Practitioner Group meetings
<b>North Wales Only</b>			
Governance – Collaborations	1	Cancelled	Cancelled at the request of Management
Counter Fraud – Anti-Fraud Procurement	1	Final report issued 13 <sup>th</sup> November 2020	Presented to December 2020 JAC
Organisational Development	1	Final report issued 6 <sup>th</sup> November 2020	Presented to December 2020 JAC
Pensions	2	Final report issued 10 <sup>th</sup> November 2020	Presented to December 2020 JAC
Expenses and additional payments	2	Final report issued 11 <sup>th</sup> November 2020	Presented to December 2020 JAC
Infrastructure Review	2	Final report issued for 9 <sup>th</sup> June 2021	

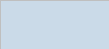
System	Planned Quarter	Current Status	Comments
Data Assurance	2	Final report issued 10 <sup>th</sup> December 2020	Presented to March 2021 JAC
Contract Management	2	Cancelled	Cancelled at the request of Management
Eastern Area – Command Unit	4	Final report issued 30 <sup>th</sup> March 2021	Deferred due to Covid-19 pandemic
Property Subject to Charge	2	Final report issued 18 <sup>th</sup> June 2021	Deferred due to Covid-19 pandemic
Treasury Management	3	Final report issued 24 <sup>th</sup> August 2020	Presented to December 2020 JAC
General Ledger	3	Final report issued 4 <sup>th</sup> November 2020	Presented to December 2020 JAC
Payroll	3	Final report issued 13 <sup>th</sup> November 2020	Presented to December 2020 JAC
Creditors	3	Final report issued 11 <sup>th</sup> February 2021	Presented to March 2021 JAC
Fleet Management – Fuel Usage	3	Final report issued 18 <sup>th</sup> February 2021	Presented to March 2021 JAC
Fleet Management Strategy	4	Deferred to 2021-22	
Fleet Management - Repairs	4	Final report issued 25 <sup>th</sup> May 2021	Days utilised from cancelled audits
Procurement	4	Final report issued 30 <sup>th</sup> April 2021	Days utilised from the cancelled collaborative audit
ICT Change Management	4	Cancelled	
Collaborative approach	1-4	See above	
Follow-up	4	Final report issued 2 <sup>nd</sup> March 2021	Presented to March 2021 JAC
Contingency	1-4		
Annual Planning	1		
Annual Report	4		
Management	1-4		


## Progress against Annual Plan 2021-22


System	Planned Quarter	Current Status	Comments
<b>Collaborative – Pan Wales</b>			
Counter Fraud (Anti-Fraud Procurement)	1		Lead force = North Wales - Scope and date to be confirmed
Pensions – All Wales Pension Board*	2	Planned start date 20 <sup>th</sup> September 2021	Lead force = Dyfed-Powys
Safety Camera Partnership	2	Planned start date 6 <sup>th</sup> September 2021	Lead force = Dyfed-Powys
Automatic Number Plate Recognition (ANPR)	2	Suggested start date 31 <sup>st</sup> August 2021	Lead force = Dyfed-Powys
Agile Working	2	Suggested start date 19 <sup>th</sup> July 2021	Lead force = North Wales Ongoing discussions between the 4 forces over the timing
Budgetary Control	3	Suggested start date 18 <sup>th</sup> October 2021	Lead force = North Wales
General Ledger	3	Suggested start date 11 <sup>th</sup> October 2021	Lead force: = Gwent Police
Payroll	3	Suggested start date 29 <sup>th</sup> November 2021	Lead force = South Wales
Creditors	3	Suggested start date 18 <sup>th</sup> October 2021	Lead force = South Wales
Debtors	3	Suggested start date 15 <sup>th</sup> November 2021	Lead force: Gwent Police
Treasury Management	3	Suggested start date 4 <sup>th</sup> October 2021	Lead force = South Wales
<b>North Wales Only</b>			
Health and Safety Management	1	Final report issued 5 <sup>th</sup> July 2021	
ICT – Network Security	1		Moved to Quarter 3 at the request of management Date to be confirmed
Western Area – Command Unit	1	Final report issued 29 <sup>th</sup> June 2021	
Pensions – Cyber Security	1	Fieldwork commenced 5 <sup>th</sup> July 2021	
Commissioner’s Grants	2	Planned start date 29 <sup>th</sup> September 2021	
Performance Management	2	Planned start date 20 <sup>th</sup> September 2021	


System	Planned Quarter	Current Status	Comments
<b>Collaborative – Pan Wales</b>			
ICT – Data Protection	2	Planned start date 5 <sup>th</sup> October 2021	
Capital Programme	2	Planned start 6 <sup>th</sup> September 2021	
Fleet Management – Fleet Strategy	3	Planned start date 15 <sup>th</sup> November 2021	
Risk Management – Mitigating Controls	3	Planned start date 22 <sup>nd</sup> November 2021	
Contract Management	3	Suggested start date 15 <sup>th</sup> October 2021	
Fixed Assets	3	Suggested start date 15 <sup>th</sup> December 2021	
HR Management – HR Strategy	3	Planned start date 22 <sup>nd</sup> November 2021	
Occupational Health Unit	4	Planned start date 4 <sup>th</sup> January 2022	
Strategic Planning	4	Planned start date 10 <sup>th</sup> January 2022	
Follow-up	4	Planned start date 7 <sup>th</sup> February 2022	
Liaison with Audit Wales	1-4		
Annual Planning	4	Final Report issued 12 <sup>th</sup> 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
<b>Property Subject to Charge 2020-21</b>						
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 &amp; Exhibit Standard Operating Procedure (SOP) Sections 4.8, 4.9 &amp; 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	As per management Comments	



Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
		<p><i>which were historically issued and manually recorded on lists by Custody staff are returned and replaced by new stock via Niche Property..</i></p> <p><i>The Seized Property Manager and SP Team have been Tasked to review, investigate and action the REMAINING 6,233 'Checked out to Officer' exhibits.</i></p> <p><i>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.</i></p> <p><i>Refer MAP Rec 5 – Page 6 for Management Comment Actions relating to officer Training and Awareness</i></p> <p><i>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 &amp; Resources</i></p>				

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
<b>Health and Safety Management 2021-22</b>						
<p>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.</p>	1	<p><i>Further work is ongoing to strengthen the mechanism behind the reporting of RIDDORs to achieve timely reporting to HSE in all instances.</i></p> <p><i>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&amp;S Policy.</i></p> <p><i>It must be emphasised the H&amp;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&amp;S issues and seek guidance in key areas of H&amp;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>	01/09/2021	Health and Safety Manager	As per management comments	

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
Confirmation of completion of assigned tasks be recorded on a timely basis as evidence that routine fire and safety equipment tests have been undertaken.	1	<p>We have implemented “spot checks” to ensure that assigned tasks are recorded correctly and on time. This is done by interrogating H&amp;S records on a regular basis.</p> <p>The HSM has briefed staff responsible for conducting and recording findings on the automated system.</p> <p>To further enhance this process a monitoring system will also be introduced to ensure compliance, including regular meetings with those responsible for carrying out the checks in Force Headquarters and Alexandra House.</p>	Complete	Health and Safety Administrator	As per management comments – this action has not been verified by Internal audit	

**KEY:**

**Priority Gradings**

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

<b>CLEARED</b>	Internal audit work confirms action taken addresses the risk exposure.	<b>ON TARGET</b>	Control issue on which action should be taken at the earliest opportunity.	<b>EXPOSED</b>	Target date not met & risk exposure still extant
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## Briefings on developments in Governance, Risk and Control

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

### Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
21007	Cyber - The Importance of Preparedness		<p><b>No Action Required</b></p> <p>Audit Committees and Boards are recommended to obtain assurance or independent assessment, that IT incident management plans are robust and tested. A holistic approach is needed linking backup provisions, business continuity plans, and IT incident response plans.</p>
21008	NAO Good Practice Guidance: Fraud and Error		<p><b>Action Required</b></p> <p>Boards and Governing Bodies to be made aware of the NAO Good Practice Guidance, in particular the Fraud and Error Audit Framework.</p>
21013	Liverpool City Council Best Value Inspection December 2020 – March 2021		<p><b>Action Required</b></p> <p>Audit Committees and Boards/Governing Bodies are advised to review practices referred to in the report, with particular emphasis on the eight points noted within recommendation three.</p>
21014	National Audit Office – Guidance for Senior Leaders to improve operational delivery		<p><b>Action Required Not Urgent</b></p> <p>Chief Executives, Chief Operating Officers and Operational senior management are asked to note the guidance and to reflect on the principles outlined in respect of the application within their own organisation.</p>
21015	Grenfell Inquiry Fire Safety Bill		<p><b>No Action Required</b></p> <p>To note awaiting further legislation and potential action.</p>

### Summary of recent Fraud Alerts

Ref	Subject	Status	TIAA Comments
April 2021	COVID-19 Air Purifying Device Scam		<p><b>Action Required</b></p> <p>This alert provides information and advice to organisations about fraud and economic crime, and the risks associated with it. If you have fallen victim to fraud or cyber-crime you should report it to Action Fraud by calling 0300 123 2040, or visit: <a href="https://reporting.actionfraud.police.uk/">https://reporting.actionfraud.police.uk/</a> If you think you have lost money to a scam, contact your bank immediately.</p>
May 2021	Smishing Texts from Banks		<p><b>Action Required</b></p> <p>The alert provides information and advice to employees about fraud and economic crime and the risks associated with it. If you have fallen victim to fraud or cyber-crime you should report it to Action Fraud by calling 0300 123 2040, or visit: <a href="https://reporting.actionfraud.police.uk/">https://reporting.actionfraud.police.uk/</a> If you have given your bank details and think you may have lost money to a scam, contact your bank immediately on a known telephone number.</p>
June 2021	COVID-19 Vaccine Passport Scam		<p><b>Action Required</b></p> <p>The alert provides information and advice about fraud and economic crime during the pandemic and the risks associated with it. If you have fallen victim to fraud you should report it to Action Fraud by calling 0300 123 2040, or visit: <a href="https://reporting.actionfraud.police.uk/">https://reporting.actionfraud.police.uk/</a> If you have given your bank details and think you may have lost money, contact your bank immediately.</p>



Internal Audit

FINAL

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

Audit Strategy and Annual Internal Audit Plan

**2021/22**

June 2021

## Overview

### Introduction

The Audit Plan for 2021/22 has been informed by a risk assessment carried out across our emergency blue light sector clients and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks, and that the coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

### Key Emerging Themes

This year will continue to be another challenging year for the Police and Crime Commissioner and Chief Constable in terms of funding, balancing budgets, service delivery and dealing with the

**COVID-19:** The impact of the pandemic will carry through into 2021/22, continuing the pressure on policing resources and the knock-on effect of carried-forward leave and sickness absences. Other challenges include a backlog of cases in the criminal justice system, unreported/hidden crime and the potential need to increase the precept to mitigate any shortfall in funding.

**Transition out of the EU:** Whilst the UK and the EU have reached agreement on trade, there will be continued uncertainties around staffing and supply chains. EU, EEA or Swiss citizens will need to apply to continue living in the UK, and those arriving from January may need to apply for a visa. The recognition of professional qualifications also needs to be addressed.

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

**Cyber-crime:** A continuing theme and Forces need to take steps to assure themselves over the robustness of their overall arrangements. The National Police Chiefs' Council has also recently

ongoing impact of the COVID-19 pandemic. We have identified a number of key areas which require consideration when planning internal audit coverage.

Further analysis of the risks facing the sector can be found at Appendix A.

### Providing Assurance during the COVID-19 pandemic

We have successfully transitioned to new and remote ways of working without any diminution of the service and we recognise that many if not all of our clients have had to implement changes in the way that they work. This may have resulted in gaps in control or exposures that previously didn't exist.

We have carried out extensive research to establish the Root Cause Indicators (RCI) which underpin the reasons for any weaknesses identified by our Internal Audit work in an organisation's governance, risk and control framework.

The RCIs include identifying the extent to which COVID-related factors are the cause of the identified exposure.

Further details in relation to RCIs can be found at Appendix B.

### Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2021/22 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

# Internal Audit Plan

## Audit Strategy Methodology

We adopt a proprietary risk-based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, the regulatory framework, external audit recommendations and previous internal audit work for the organisation, together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. For 2021/22, we have conducted an analysis of the key risks facing the sector and client base more broadly to inform our annual planning. The Audit Strategy is based predominantly on our understanding of the inherent risks facing The Police and Crime Commissioner North Wales and Chief Constable North Wales Police and those within the sector and has been developed with senior management and Committee. Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS).

## Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing Police and Crime Commissioner North Wales and Chief Constable North Wales Police. Appendix A contains the GUARD assessment of key risks in the sector and which has been used to identify those that are most relevant to the organisation and where internal audit assurance would be best focussed. Links to specific strategic risks are also contained in the Internal Audit Strategy.

## Internal Audit Strategy and Plan

Following the risk prioritisation review, the Audit Strategy has been produced (Appendix C) and the Annual Plan (Appendix D) sets out the collaborative reviews and (Appendix E) sets out the North Wales Police specific reviews that will be carried out, the planned times and the high-level scopes for each of these reviews.

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

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

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

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

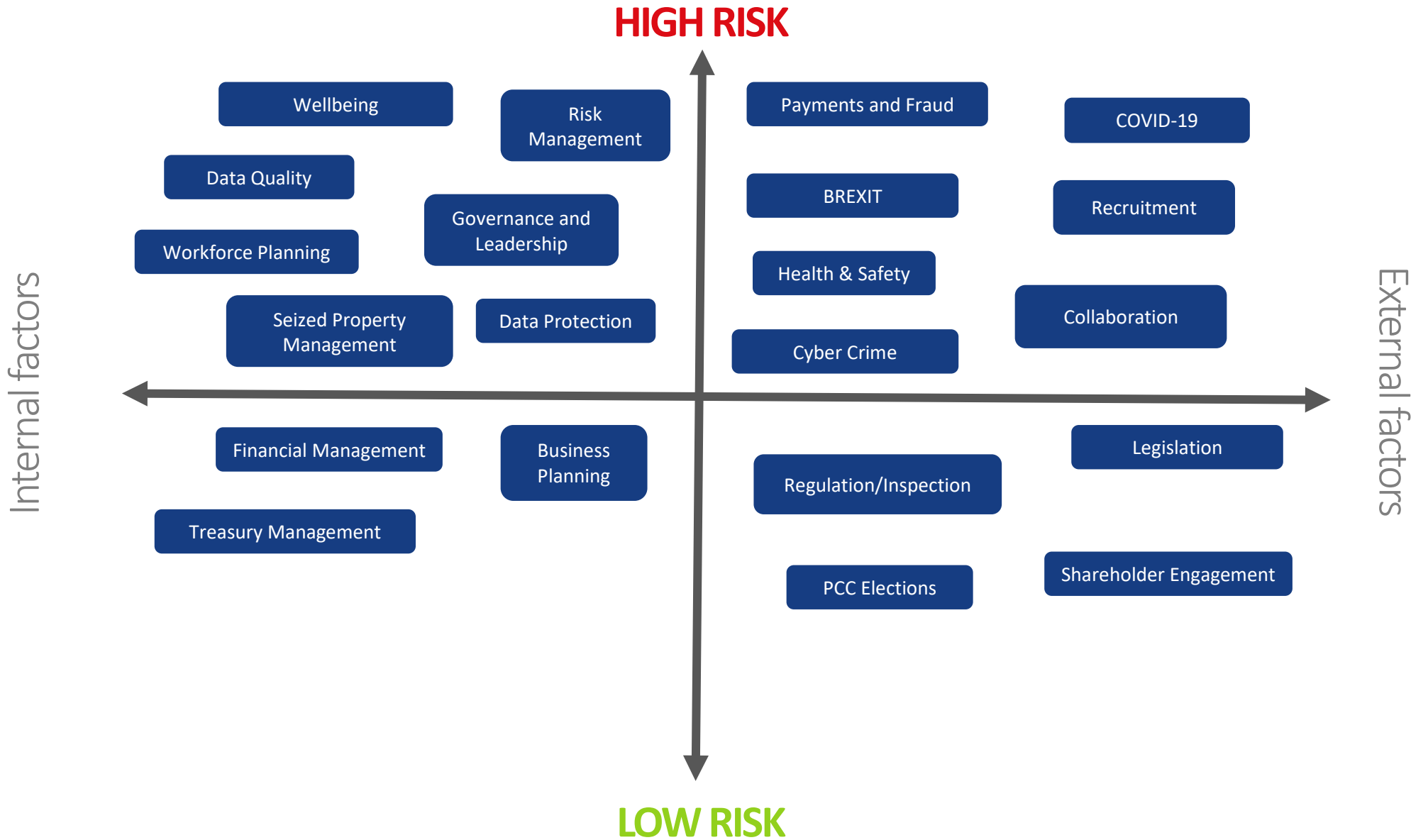
## Release of Report

The table below sets out the history of this plan.

<b>Date discussion plan issued:</b>	25 <sup>th</sup> February 2021	<b>Date final draft report issued:</b>	12 <sup>th</sup> May 2021
<b>Date draft plan issued:</b>	3 <sup>rd</sup> March 2021		



Appendix A: GUARD Risk Analysis



## Appendix B: Providing Assurance

### Corporate Assurance Risks

We consider two corporate assurance risks – Directed and Delivery. Underneath these corporate risks sit six Root Cause Indicators (RCI). We have carried out extensive research to establish the RCI which underpin the reasons for any weaknesses identified by our Internal Audit work in an organisation’s governance, risk and control framework. The benefits of adopting this new approach is that it enables management and Audit Committees to clearly understand and focus on the significant issues arising from our work. For each audit assignment, we will provide a RCI for each of our findings in that area.



**Directed Risk: Failure to properly direct the service to ensure compliance with the requirements of the organisation.**

Root Cause Indicator	<b>Governance Framework</b>	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.
	<b>Risk Mitigation</b>	The documented process aligns with the mitigating arrangements set out in the corporate risk register.
	<b>Compliance</b>	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.



**Delivery Risk: Failure to deliver the service in an effective manner which meets the requirements of the organisation.**

Root Cause Indicator	<b>Performance Monitoring</b>	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.
	<b>Financial Constraint</b>	The process operates within the agreed financial budget for the year.
	<b>Resilience</b>	Good practice to respond to business interruption events and to enhance economic, effective and efficient delivery is adopted.

## Appendix C: Rolling Strategic Plan

Review Area	Type	2021/22	2022/23	2023/24
<b>Governance and Risk Management</b>				
Strategic Planning	Assurance	10		
Performance Management	Assurance	10		
Health and Safety Management	Assurance	10		
Corporate Communications	Assurance		10	
Community Engagement	Assurance		10	
Collaborations	Assurance			10
Strategic Resource Planning	Assurance			10
Risk Management Mitigating Controls	Compliance	6	6	6
<b>ICT reviews</b>				
Network Security	Assurance	8		
Data Protection	Assurance	6		
Cyber Security	Assurance		8	
Pensions – Cyber Security	Assurance	5		
Change Management	Assurance		8	8
Infrastructure Review	Assurance			8
Data Assurance	Assurance			8
<b>Finance</b>				
Budgetary Control	Assurance	*	6	6
General Ledger	Assurance	*	6	6
Payroll	Assurance	*	10	10
Creditors	Assurance	*		6
Debtors	Assurance	*		

Review Area	Type	2021/22	2022/23	2023/24
Pensions - All Wales Pension Board	Assurance	*		
Pensions	Assurance		8	
Expenses and Additional Payments	Assurance		8	
Treasury Management	Assurance	*	4	4
Fixed Assets	Assurance	6		
Capital Programme	Assurance	8	8	
Counter-Fraud	Compliance	*	6	6
<b>Estates and Fleet</b>				
Fleet Management - Fleet Strategy	Assurance	6		
Fleet Management - Repairs	Compliance			5
Fleet Management - Fuel	Compliance		6	
Estates Management - Delivery	Compliance		6	
Estates Management - Strategy	Assurance			6
<b>Operational</b>				
Central Area – Command Unit	Compliance		8	
Western Area – Command Unit	Compliance	8		
Eastern Area – Command Unit	Compliance			8
Contract Management	Assurance	6	6	6
Property Subject to Charge	Compliance		6	
Vetting	Compliance		6	
Commissioner’s Grants	Assurance	6		
Procurement	Assurance			8
<b>Workforce Management</b>				
HR Management – Strategy	Assurance	10		
Wellbeing and Strategy	Assurance		10	

Review Area	Type	2021/22	2022/23	2023/24
Organisational Development	Assurance			7
Occupational Health Unit	Assurance	5		
<b>Collaborative Reviews</b>				
Budgetary Control	Assurance	5	*	*
General Ledger	Assurance	5		
Payroll	Assurance	6		
Creditors	Assurance	5		
Debtors	Assurance	5		
Counter-Fraud	Compliance	5		
Treasury Management	Assurance	4		
All Wales Pension Hub	Assurance	5		
Safety Camera Partnership	Assurance	5		
Automatic Number Plate Recognition	Assurance	5		
Agile Working	Assurance	5		
<b>Management and Planning</b>				
Liaison with Audit Wales	Management	2	2	2
Follow Up	Follow Up	6	6	6
Contingency	-	-		18
Annual Planning	-	4	4	4
Annual Report	-	4	4	4
Audit Management	-	18	18	18
<b>Total Days</b>		<b>199</b>	<b>180</b>	<b>180</b>

**\*Collaborative reviews**

## Appendix D: Collaborative Annual Plan – 2021/22

Quarter	Review	Type	Days	Review
1	Counter Fraud (Anti-Fraud Procurement)	Compliance	5	<p><u>Rationale</u></p> <p>A review to test areas of exposure to fraud has been included in each year of the plan.</p> <p><u>Scope</u></p> <p>The review tests for potential significant fraud exposures due to non-compliance with the organisation's procurement arrangements and/or inadequate or ineffective segregation of duties.</p> <p>The scope of the review does not include identification of all potential fraudulent transactions.</p> <p>Lead Force: North Wales Police</p>
2	Pensions – All Wales Pension Board*	Assurance	5	<p><u>Rationale</u></p> <p>This has been suggested as a four forces collaborative review.</p> <p><u>Scope</u></p> <p>A new All Wales Pension Board is being implemented with a Police Pension Hub. The scope of this review would consider the effectiveness of the arrangements.</p> <p>Lead Force: Dyfed Powys Police</p>
2	Safety Camera Partnership	Assurance	5	<p><u>Rationale</u></p> <p>Requested by the four forces</p> <p><u>Scope</u></p> <p>The review considers the governance arrangements in place across the four forces to manage the Safety Camera Partnership. Consideration will also be given to benchmarking the costs incurred in providing staff, vans and accommodation for the delivery of the arrangement, the income received and the process for recharges.</p> <p>Lead Force: Dyfed Powys Police</p>
2	Automatic Number Plate Recognition (ANPR)	Assurance	5	<p><u>Rationale</u></p> <p>Requested by the four forces</p> <p><u>Scope</u></p> <p>The review will consider the contractual arrangements in place for the delivery of ANPR noting that Dyfed-Powys Police use their own system and so the longer term replacement strategy will be considered. The review will consider the financial costs, contract management, how the arrangements tie in with the National Enabling Project and the compliance with ANPR standards, specifically training, security and audit arrangements. The review will also consider what use is made of the data obtained.</p> <p>Lead Force: Dyfed Powys Police</p>

Quarter	Review	Type	Days	Review
2	Agile Working	Assurance	5	<p><u>Rationale</u> Requested by four forces</p> <p><u>Scope</u> The review will consider the policies and procedures in place for agile working; the technology used to support these arrangements; the efficient use of space; the availability of staff for key meetings and on-site requirements and how management has oversight of who will be where and when and the arrangements to ensure continued productivity. Lead Force: North Wales Police</p>
3	Budgetary Control	Assurance	5	<p><u>Rationale</u> Key financial risk area completed annually.</p> <p><u>Scope</u> The review considers the budget preparation process, the monitoring arrangements, and reporting to the board. The scope of the review does not include consideration of the assumptions used in preparing the budgets; depreciation policies; apportionment of central costs; or financial information included in tenders prepared by the organisation. Lead Force: North Wales Police</p>
3	General Ledger	Assurance	5	<p><u>Rationale</u> Key financial risk area completed annually.</p> <p><u>Scope</u> The review considers the arrangements for providing an effective audit trail for data entered onto the general ledger and the appropriateness of the reports generated. The scope of the review does not extend to the budgetary control arrangements and bank reconciliations. Lead Force: Gwent Police</p>

Quarter	Review	Type	Days	Review
3	Payroll	Assurance	6	<p><u>Rationale</u> Key financial risk area completed annually.</p> <p><u>Scope</u> The review considers the arrangements for: the creation, amendment and deletion of payroll records; payment of allowances and pay awards; and payment of salaries, payroll overpayments (including number and size of overpayments), why they occur, and whether the system needs to be amended to prevent these. In addition the scope will consider those areas where forces can recover costs from officers/staff e.g. investment in professional training, expenses to ensure that these are recovered on a timely basis. The scope of the review does not include determination of salary scales, appointment and removal of staff, severance payments or reimbursement of travel and subsistence expenses, or pension arrangements.</p> <p>Lead Force: South Wales Police</p>
3	Creditors	Assurance	5	<p><u>Rationale</u> Key financial risk area completed annually.</p> <p><u>Scope</u> The review considers the arrangements for authorising and paying costs incurred by the organisation and the arrangement for control of the organisation's cheques and automated payments. The scope does not include providing an assurance that the expenditure was necessary or that value for money was achieved from the expenditure committed.</p> <p>Lead Force: South Wales Police</p>
3 October 2021	Debtors	Assurance	5	<p><u>Rationale</u> Key financial risk area completed annually.</p> <p><u>Scope</u> The review considers the raising of debtor accounts, collection of income, receipting, storage and banking of income received by the organisation. The scope of the review does not include identification of the activities giving rise to income for the organisation, the basis of calculating the rates to be charged or that all income receivable has been identified.</p> <p>Lead Force: Gwent Police</p>



Quarter	Review	Type	Days	Review
3	Treasury Management	Assurance	4	<p><u>Rationale</u></p> <p>Key Audit risk area, completed every three years.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for controlling the investment and borrowing arrangements; compliance with the organisation's overall policy; banking arrangements; reconciliations and the reporting to committee. The scope of the review does not include consideration of the appropriateness of any individual financial institution or broker or of individual investment decisions made by the organisation.</p> <p>Lead Force: South Wales Police</p>
<b>Total days</b>			<b>55</b>	

## Appendix E: Annual Plan – 2021/22

Quarter	Review	Type	Days	Review
1	Health and Safety Management	Assurance	10	<p><u>Risk</u> Health and Safety risk</p> <p><u>Rationale</u> High risk area.</p> <p><u>Scope</u> The review appraises: the adequacy of the arrangements for managing the health and safety requirements of the organisation. The scope of the review does not include: carrying out or providing an opinion on the adequacy of the arrangements that are in place for meeting the legislative requirements.</p>
1	ICT – Network Security	Assurance	8	<p><u>Rationale</u> High risk area – cyclical coverage</p> <p><u>Scope</u> The review considers the arrangements for the physical and access security of hardware and software. The scope of the review does not include consideration of the merits of the types of hardware and software used, the access rights to the individual software; or the depreciation policies.</p>
1	Western Area – Command Unit	Compliance	8	<p><u>Rationale</u> Key risk area, included in the plan on a cyclical basis.</p> <p><u>Scope</u> The review assesses compliance with the key corporate procedures for Financial, HR, Duty of Care and Service Delivery.</p>

Quarter	Review	Type	Days	Review
1	Pensions – Cyber Security*	Assurance	5	<p><u>Rationale</u></p> <p>Risks highlighted by the National Police Chiefs’ Council to ensure systems integrity and also to ensure that any reputational risk of police systems being vulnerable to cyber-attack is minimised.</p> <p><u>Scope</u></p> <p>The review will consider the cyber security risk and management practices and seek assurance from the pension administrator that:</p> <ul style="list-style-type: none"> <li>• Systems controls are in place and regularly tested / updated to address any threat or risk</li> <li>• System integrity is maintained through the use of controls, passwords and security software, which are regularly tested / updated</li> <li>• The minimum amount of personal data is held on individuals, consistent with the efficient operation of the Scheme.</li> <li>• There is awareness among the workforce of cyber risk and arrangements are available for reporting attempted attacks or unsolicited contact on pensions issues</li> <li>• That appropriate plans are in place to deal with any cyber-attack and the consequences of such an attack, such as disaster recovery procedures and communication plans.</li> </ul>
2	Commissioner’s Grants	Assurance	6	<p><u>Rationale</u></p> <p>Large grant programme with grants issued by the Commissioner, reviewed on a three yearly basis.</p> <p><u>Scope</u></p> <p>The review will consider the arrangements for the assessing, awarding and compliance monitoring process for Commissioner’s Grants.</p>
2 September 2021	Performance Management	Assurance	10	<p><u>Rationale</u></p> <p>Key Governance Area - Reviewed cyclically</p> <p><u>Scope</u></p> <p>The review will consider the arrangements for providing assurance through the demand management and performance management frameworks that are used to measure the Force’s effectiveness. The scope of the review did not include consideration of the accuracy or completeness of all reports presented to the Board or the appropriateness of all decisions taken.</p>

Quarter	Review	Type	Days	Review
2 September 2021	ICT – Data Protection	Assurance	6	<p><u>Rationale</u></p> <p>Risk of significant fine for non-compliance</p> <p><u>Scope</u></p> <p>The review assessed compliance with the key data protection elements of:</p> <ul style="list-style-type: none"> <li>• Privacy Impact Assessments</li> <li>• Data Subject rights (e.g. Right to be forgotten)</li> <li>• Data Classification and Asset management</li> <li>• Data Security &amp; Breach Management</li> <li>• Governance &amp; Consent</li> <li>• Data Controllers &amp; Processors.</li> </ul>
2 September 2021	Capital Programme	Appraisal	8	<p><u>Rationale</u></p> <p>Key financial risk area completed bi-annually.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for accounting for the general capital programme. The scope of the review does not include consideration of the funding arrangements or the specification of the projects.</p>
1	Fleet Management – Fleet Strategy	Assurance	6	<p><u>Rationale</u></p> <p>Cyclical review of Fleet Management arrangements</p> <p><u>Scope</u></p> <p>The review considers the effectiveness of the arrangement for the management and replacement of the fleet of vehicles used by the Force and the Police and Crime Commissioner’s Office.</p>
3	Risk Management – Mitigating Controls	Compliance	6	<p><u>Rationale</u></p> <p>Rolling review of Risk Management arrangements.</p> <p><u>Scope</u></p> <p>The review will consider as an overview the effectiveness of the reporting mechanisms for corporate risks. To test the arrangements in place two risks which are included in the organisation’s risk register will be selected and the effectiveness of the identified controls will be reviewed. The scope of the review does not include consideration of all potential mitigating arrangements or their effectiveness in minimising the opportunities for the identified risks to occur.</p>

Quarter	Review	Type	Days	Review
3	Contract Management	Assurance	6	<p><u>Rationale</u> Key risk area, a contract management review is included in each year of the plan.</p> <p><u>Scope</u> The review will consider the effectiveness of the Project and Programme management arrangements in relation to a selected contract. This should include consideration of financial viability, quality and monitoring of delivery. The nominated contract is the XPS Pensions Contract.</p>
3	Fixed Assets	Assurance	6	<p><u>Rationale</u> Key financial risk area completed annually.</p> <p><u>Scope</u> The review considered the identification of assets that need to be recorded in the asset register, the identification, locating and recording of assets, inventories and the disposal of assets. The review also included consideration of departmental asset registers and the processes for reconciling these back to finance asset registers. The scope of the review did not include consideration of the purchasing, depreciation policies or insurance arrangements.</p>
3	HR Management – HR Strategy	Assurance	10	<p><u>Rationale</u> Workforce risk area.</p> <p><u>Scope</u> The review will consider the arrangements in place to assess the organisation’s needs and align these with the Police and Crime Commissioner’s Policing Plan including recruitment, training and development and performance management arrangements.</p>
4	Occupational Health Unit	Assurance	5	<p><u>Rationale</u> <u>Subject to an advisory review in 2020/21. Transformation project being undertaken.</u></p> <p><u>Scope</u> The review will consider the arrangements the Force has in place to follow best practice as set out within with the Foundation Occupational Health Standards for Police Forces, including the follow up of recommendations raised in the 2020/21 audit review of this area.</p>
4	Strategic Planning	Assurance	10	<p><u>Rationale</u> Key Governance Area -Cyclical review</p> <p><u>Scope</u> The review will consider the arrangements in place to develop the Police and Crime Commissioners Police and Crime Plan and the Force’s Delivery Plan.</p>
4	Follow-up	Follow up	6	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the organisation is implementing recommendations, and providing reports to the Joint Audit Committee.

Quarter	Review	Type	Days	Review
1-4	Collaborative	Various	55	Details of the audits are provided in Appendix D
1-4	Liaison with Audit Wales	Management	2	This time is for liaison with Audit Wales as External Auditor.
1	Annual Planning	Management	4	Assessing the organisation's annual audit needs.
4	Annual Report	Planning/Reporting	4	Reporting on the overall conclusions and opinion based on the year's audits and other information and providing input to the Annual Governance Statement.
1-4	Audit Management	Planning/Reporting	18	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Joint Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
<b>Total days</b>			<b>199</b>	

## Appendix F: Internal Audit Charter

### The Need for a Charter

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

### The Role of Internal Audit

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

### Standards and Approach

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

### Scope

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

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

### Access

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

### Independence

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

## Conflict of Interest

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

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

## Irregularities, Including Fraud and Corruption

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

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

## Limitations and Responsibility

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

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

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

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

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

## Liaison with the External Auditor

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



## Reporting

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

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

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

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

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

## Assurance Assessment Gradings

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

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

## Performance Standards

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

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

## Data Protection

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

## Quality Assurance

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

## Joint Audit Committee Responsibility

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

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

## Disclaimer

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

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

Internal Audit Annual Report

2020/21

July 2021

# Internal Audit Annual Report

## Introduction

This is the 2020/21 Annual Report by TIAA on the internal control environment at North Wales Police. The annual internal audit report summarises the outcomes of the reviews we have carried out on the organisation's framework of governance, risk management and control. This report, which incorporates CIPFA guidance on the potential limitation of scope brought about by the impact of COVID-19, is designed to assist the Board in making its annual governance statement.

## Limitations on our opinion arising from Covid-19

The impact of COVID-19 on all public sector services has been significant including changes to ways of working, reprioritising services, redeploying staff and stretching capacity; the impact has been present throughout the whole of 2020/21 in varying degrees.

For internal audit, it has raised the question of whether they have been able to undertake sufficient internal audit work to gain assurance during 2020/21. This is a key consideration to fulfil the requirement of the Public Sector Internal Audit Standards (PSIAS) for the Head of Internal Audit (HIA) when issuing their annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This opinion is in turn one of the sources of assurance that the organisation relies on for its Annual Governance Statement. Factors that need to be taken in to account in reaching a conclusion include:

- Has any reduction in coverage compared to what was planned resulted in insufficient assurance work?
- Have any limitations in the scope of individual assignments resulted in it only being possible to place partial assurance on the outcome?
- Have changes in ways of working led to gaps in the governance, risk management and control arrangements?

TIAA understands the considerable challenges and the difficult decisions that organisations are having to deal with, however, the professional and regulatory expectations on public bodies to ensure that their internal audit arrangements conform with PSIAS have not changed. In this difficult situation, heads of internal audit will need to consider whether they can still issue the annual opinion or whether there will need to

be a limitation of scope.

A limitation of scope arises where the HIA is unable to draw on sufficient assurance to issue a complete annual opinion in accordance with the professional standards. This is an issue not only for the HIA but also for the leadership team and the Joint Audit Committee who normally rely on that opinion. It may also have wider consequences for stakeholder assessments of the organisation.

### What this means for Police and Crime Commissioner for North Wales and Chief Constable North Wales Police

There has been minimal or no impact on the delivery of the internal audit work for 2020/21 as a result of the COVID-19 pandemic. Whilst there was an impact on delivery of the work in the early part of the year during the initial lockdown, we were able to deliver the planned work by year-end (or shortly thereafter). There have been no changes to the planned work as a result of COVID-19; any changes to the plan were based purely on business/operational need.

This has not, however, affected our ability to provide a full Head of Internal Audit Opinion based on the work carried out.

#### HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

**TIAA is satisfied that, that sufficient internal audit work has been undertaken to allow me to draw a positive conclusion as to the adequacy and effectiveness of The Police and Crime Commissioner's and the Chief Constable's risk management, control and governance processes. In my opinion, The Police and Crime Commissioner and the Chief Constable have adequate and effective management, control and governance processes in place to manage the achievement of their objectives for the areas reviewed during the year.**

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

### Internal Audit Planned Coverage and Output

The 2020/21 Annual Audit Plan approved by the Joint Audit Committee was for 205 days of internal audit coverage in the year.

During the year there were several changes to the Audit Plan and these changes were approved by the Joint Audit Committee. These were:

- Collaborative Project Review – Early Action Together (Adverse Childhood Experiences ACES Project) – cancelled by North Wales Police management only
- Collaborative Procurement – Undertaken separately by North Wales Police rather than as a Collaborative review
- Governance – Collaborations – cancelled by all forces
- Contract Management cancelled by NWP
- ICT Change Management deferred due to substantial opinion in 2019/20
- Occupational Health Standards – additional advisory review requested by management
- Fleet Management - Repairs and Maintenance – additional review brought forward from 2021-22
- Fleet Management - Fuel Usage – additional review brought forward from 2021-22

The planned work that has been carried out against the plan and the status of work not completed is set out at Annex A.

No extra work was carried out which was in addition that set out in the Annual Audit Plan other than the reviews listed above which were undertaken to replace the cancelled reviews.



## Audit Summary

**Control weaknesses:** There were one area reviewed by internal audit, Property Subject to Charge, where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no assurance'. Recommendations were made to further strengthen the control environment in this area and the management responses indicated that the recommendations had been accepted.

**Recommendations Made:** We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
<b>Directed</b>			
Governance Framework	0	2	5
Risk Mitigation	0	0	1
Compliance	1	20	20
<b>Delivery</b>			
Performance Monitoring	0	1	0
Financial Constraint	0	0	0
Resilience	0	0	0

**Operational Effectiveness Opportunities:** One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
6 (7)

## Independence and Objectivity of Internal Audit

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

## Performance and Quality Assurance

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	100%
Audits Completed in Time Allocation	100%	100%
Final report issued within 10 working days of receipt of responses	95%	100%
Compliance with Public Sector Internal Audit Standards	100%	100%

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 standards. An independent external review was carried out of our compliance of the Public Sector Internal Audit Standards (PSIAS) in 2017 and in particular to meet the requirement of an independent 5 year review, the outcome confirmed full compliance with all the standards. Our work also complies with the IIA-UK Professional Standards.

## Release of Report

The table below sets out the history of this Annual Report.

<b>Date Report issued:</b>	21 <sup>st</sup> June 2021
<b>Date revised report issued:</b>	6 <sup>th</sup> July 2021

## Annexes

### Annex A

#### Actual against planned Internal Audit Work 2020/21

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Collaborative Vetting of Contractors (NWP)	Appraisal	3	3	Substantial	Final Report Issued
Collaborative Risk Management - Mitigating Controls (SWP)	Compliance	7	7	Reasonable	Final Report Issued
Collaborative Project Review – Office 365 (part of National Enabling programme) (GP)	Appraisal	7.5	7.5	Reasonable	Final Report Issued
Collaborative Project Review – Early Action Together (Adverse Childhood Experiences ACES Project) (NWP)	Appraisal	7.5	0	-	Cancelled at the request of Management
Collaborative Budgetary Control (DP (SWP))	Assurance	7.5	7.5	Substantial	Final Report Issued
Collaborative Procurement – Strategic Lead (SW)	Appraisal	5	0	-	Undertaken outside the Collaborative Review (see below)
Procurement	Assurance	0	5	Substantial	Final Report Issued
Collaborative Strategic Resource Planning (NWP)	Appraisal	10.5	10.5	Substantial	Final Report Issued
Liaison with Audit Wales	N/A	2	2	N/A	
Governance - Collaborations	N/A	10	1	N/A	Cancelled at the request of Management after 1 day
Counter Fraud – Anti-Fraud Procurement	Assurance	6	6	Substantial	Final Report Issued
Organisational Development	Assurance	7	7	Substantial	Final Report Issued
Pensions	Assurance	8	8	Substantial	Final Report Issued
Expenses and additional payments	Compliance	8	8	Reasonable	Final Report Issued
Infrastructure Review	Assurance	8	8	Substantial	Final Report Issued
Data Assurance	Assurance	8	8	Substantial	Final Report Issued



System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Contract Management	N/A	6	0	-	Cancelled at the request of Management
Eastern Area – Command Unit	Compliance	8	8	Reasonable	Final Report Issued
Property Subject to Charge	Compliance	6	6	Limited	Final Report Issued
Treasury Management	Assurance	4	4	Substantial	Final Report Issued
General Ledger	Assurance	6	6	Substantial	Final Report Issued
Payroll	Assurance	10	10	Substantial	Final Report Issued
Creditors	Assurance	6	6	Substantial	Final Report Issued
ICT Change Management	N/A	8	0	-	Cancelled at the request of Management
Follow-up	Follow Up	6	6	N/A	Final Report Issued
Occupational Health Standards	Advisory	-	5	N/A –Advisory	Final Report Issued
Fleet Management - Repairs and Maintenance	Assurance	-	6	Reasonable	Final Report Issued
Fleet Management - Fuel Usage	Compliance	-	6	Reasonable	Final Report Issued
Fleet Management – Strategy	-	-	-	-	Deferred to 2021-22
Contingency (Days carried forward from 2019/20)	N/A	14	-	-	-
Annual Planning	N/A	4	4	-	-
Annual Report	N/A	4	4	-	-
Management, Planning & Joint Audit Committee Reporting/Support	N/A	18	18	-	-
	<b>Total Days</b>	<b>205</b>	<b>177.5</b>		

### JOINT AUDIT COMMITTEE

<b>Title:</b>	Risk Management Report (Open Session)
<b>Author:</b>	Sian Wyn Jones, Force Governance and Policy Lead
<b>Purpose of the report:</b>	To provide the Joint Audit Committee with an update on the organisational risk process and an oversight of the current risks recorded by North Wales Police and the North Wales Police and Crime Commissioner.
<b>The report is provided to JAC for: (tick one)</b>	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Information
<b>Summary / Key Points:</b>	<ul style="list-style-type: none"> <li>• All risks have been reviewed by the Risk and Business Continuity Lead who conducts reviews on a monthly basis. A dated record of the review is made on each risk detail document.</li> <li>• Reminders have been sent to Risk Leads and Action Owners to review and update their ongoing risks either on a monthly or quarterly basis (dependent on the risk type).</li> <li>• Since the previous update all risks on the Force Risk Register have been reviewed in the following meetings with no issues or exceptions having been raised.             <ul style="list-style-type: none"> <li>○ Departmental Senior Management Team Meetings</li> <li>○ Senior Leadership Team Meeting</li> <li>○ Strategic Management Board</li> <li>○ Strategic Executive Board</li> <li>○ Strategic Operational Board</li> <li>○ Strategic Change and Collaboration Board</li> </ul> </li> <li>• A summary of live risks recorded on the Force Risk Register up to the 7<sup>th</sup> July 2021 and specifically highlighting             <ul style="list-style-type: none"> <li>○ <b>New risks added to the risk register since the last update</b> <ul style="list-style-type: none"> <li>▪ Risk 73 REDACTED CLOSED SESSION</li> <li>▪ Risk 74 REDACTED CLOSED SESSION</li> <li>▪ Risk 75 REDACTED CLOSED SESSION</li> </ul> </li> <li>○ <b>Amendments made to the following risks since the last update</b> <ul style="list-style-type: none"> <li>▪ Risk 64 REDACTED CLOSED SESSION</li> <li>▪ Risk 65 REDACTED CLOSED SESSION</li> <li>▪ Risk 67 REDACTED CLOSED SESSION</li> </ul> </li> <li>○ <b>Closure of the following risks since the last update</b> <ul style="list-style-type: none"> <li>▪ Risk 5 IT Infrastructure investment</li> <li>▪ Risk 55 FHQ Backup Power Generator and Uninterrupted Power Supply (UPS)</li> </ul> </li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▪ Risk 59 <b>REDACTED CLOSED SESSION</b></li> <li>▪ Risk 68 EU Exit Implications on Holyhead Port</li> </ul> <ul style="list-style-type: none"> <li>• A summary of the Force Risk Register Risk Actions RAG rating, with no concerns highlighted.</li> <li>• Risk 46 <b>REDACTED CLOSED SESSION</b> is subject of a deep dive and will be presented under a separate paper.</li> <li>• Since the previous update all risks on the Force COVID19 Risk Register have been reviewed in the following meetings with no issues or exceptions having been raised. <ul style="list-style-type: none"> <li>○ Departmental Senior Management Team Meetings</li> <li>○ Senior Leadership Team Meeting</li> <li>○ Strategic Management Board</li> <li>○ Strategic Executive Board</li> <li>○ Tactical Agility Board</li> </ul> </li> <li>• A summary of live risks recorded on the Force COVID19 Risk Register up to the 7<sup>th</sup> July 2021 and specifically highlighting <ul style="list-style-type: none"> <li>○ <b>Amendments made to the following risks since the last update</b> <ul style="list-style-type: none"> <li>▪ Risk CV08/20 Staff Returning to NWP premises</li> </ul> </li> <li>○ <b>Closure of the following risks since the last update</b> <ul style="list-style-type: none"> <li>▪ Risk CV04/20 Financial Impact on Income from COVID19</li> <li>▪ Risk CV07/20 Insurance for work equipment while working from home</li> <li>▪ Risk CV09/20 <b>REDACTED CLOSED SESSION</b></li> <li>▪ Risk CV12/20 Communication Plan/Strategy</li> <li>▪ Risk CV13/20 Home Working Health and Safety</li> <li>▪ Risk CV14 Organisational Budget</li> <li>▪ Risk CV15/20 File Build Training Module</li> </ul> </li> </ul> </li> <li>• A summary of the Force COVID19 Risk Register Risk Actions RAG rating, with no concerns highlighted.</li> <li>• An update in relation to the TIAA Audits conducted during 2020/21.</li> <li>• An update in relation Assurance Mapping.</li> </ul>
<b>Recommendations:</b>	None
<b>Risk Register Impact:</b>	This report is based on details recorded on both the Force Risk Register and the COVID19 Risk Register
<b>Assurance Implications:</b>	This report is directly relevant to the development of assurance in North Wales Police
<b>Equality Impact:</b>	None
<b>Information Exempt from Disclosure:</b>	Yes (highlighted in yellow)

## 1. INTRODUCTION

The purpose of this report is to provide an update on the organisational risk management process and allow oversight of the status of North Wales Police and Crime Commissioner and North Wales Police risks and is based on information received and recorded by 7<sup>th</sup> July 2021 on the Force Risk Register version 5.274 and the COVID19 Risk Register 0.68.

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

Since the last Joint Audit Committee (JAC) we continue to develop our approach to embedding Risk Management across the organisation. We've continued to ensure greater interaction with the risk leads/owners with either monthly or quarterly (dependent on the risk type) reminders being sent to Risk Leads and Action Owners to review and update their ongoing risks. In addition to this the Risk and Business Continuity Lead has continued to conduct a monthly review of all risks and raised any concerns or issues with SMT's via their monthly update report. Risks have also been reviewed at the Senior Leadership Team Meeting, Strategic Operational Board, Strategic Change and Collaboration Board, Tactical Agility Board, Strategic Management Board and Strategic Executive Board with no issues or exceptions having been raised.

There continues to be networking with other Force Risk Managers to seek out best practice and engagement through Regional Risk Meetings with the next meeting scheduled to take place on the 1<sup>st</sup> September 2021.

**Table 1: - NWP Risks on the Force Risk Register 3<sup>rd</sup> March 2021 – 7<sup>th</sup> July 2021**

	Previous Total	Risks Closed in this period	New Risks in this period	Risks transferred to COVID19 Register	Risks transferred from COVID19 Register to Force Risk Register	Current NWP Risks Total
<b>Critical</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b>High</b>	<b>19</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>17</b>
<b>Medium</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Low</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Negligible</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>*Undefined</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>24</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>23</b>

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

**Table 2: - OPCC Risks Force Risk Register 3<sup>rd</sup> March 2021 – 7<sup>th</sup> July 2021**

	Previous total	Closed in this period	New in this period	Risks transferred to COVID19 Register	Risks transferred from COVID19 Register to Force Risk Register	Current OPCC Risks Total
<b>Critical</b>	1	0	0	0	0	1
<b>High</b>	0	0	0	0	0	0
<b>Medium</b>	0	0	0	0	0	0
<b>Low</b>	0	0	0	0	0	0
<b>Negligible</b>	0	0	0	0	0	0
<b>Total</b>	1	0	0	0	0	1

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

**Risk 73 - REDACTED CLOSED SESSION.**

**Risk 74 - REDACTED CLOSED SESSION.**

**Risk 75 - REDACTED CLOSED SESSION.**

### 4. RISKS CLOSED FROM FORCE RISK REGISTER SINCE LAST REPORT

**Risk 5 IT Infrastructure Investment:** - Prior to control measures this was classified as a HIGH risk. This STATIC risk related to there being insufficient investment to maintain the IT infrastructure at supportable levels which could have had a detrimental effect on the Force. All risk actions were completed in March 2021 which mitigated the risk and therefore the Finance & Resources SMT made the decision to close the risk as the completed actions mitigated the risk.

**Risk 55 FHQ Back Up Generator and Uninterrupted Power Supply (UPS):** - Prior to control measures this was classified as a HIGH risk. This DYNAMIC risk related to the panel that controlled the generator and UPS for the main building in FHQ having a malfunction and therefore there being no guarantee that it would automatically switch on the generator in the event of a mains power failure. The risk level was lowered to LOW in January 2021 which met the target risk level; however the risk remained open until all actions were completed. The final action was completed in April 2021 and therefore the Finance & Resources SMT made the decision to close the risk as the completed actions mitigated the risk.

**Risk 59 - REDACTED CLOSED SESSION**

**Risk 68 EU Exit Implications on Holyhead Port:** - Prior to control measures this was classified as a HIGH risk. This DYNAMIC risk related to the potential impacts EU Exit would have directly or indirectly on traffic management at Holyhead Port and the communities on Anglesey. The exact nature of impacts on resources; and demand meant that there was uncertainty on what the effects on policing would be. The EU Exit Gold Commander agreed the risk could be closed in March 2021 as an EU Exit deal had been reached and the EU Exit had not had an adverse impact on any parts of the Forces business.

**5. RISK CHANGES ON FORCE RISK REGISTER SINCE LAST REPORT**

Risk 64 - REDACTED CLOSED SESSION.

Risk 65 - REDACTED CLOSED SESSION

Risk 67 - REDACTED CLOSED SESSION

**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	42	59

All risk actions remain on track with no issues highlighted.

**7. FORCE COVID19 RISK REGISTER SUMMARY**

**Table 4: - Covid19 Force Risk Register 3<sup>rd</sup> March 2021 –7<sup>th</sup> July 2021**

	Previous total	Closed in this period	New in this period	Risks transferred to COVID19 Register	Risks transferred from COVID19 Register to Force Risk Register	Current COVID19 Risks Total
<b>Critical</b>	0	0	0	0	0	0
<b>High</b>	6	3	0	0	0	3
<b>Medium</b>	2	2	0	0	0	0
<b>Low</b>	3	2	0	0	0	1
<b>Negligible</b>	0	0	0	0	0	0
<b>*Undefined</b>	0	0	0	0	0	0
<b>Total</b>	<b>11</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>

**8. NEW RISKS RECORDED ON THE FORCE COVID19 RISK REGISTER SINCE LAST REPORT**

There have been no new risks added to the Force COVID19 Risk Register since the last report.

**9. RISKS CLOSED FROM THE FORCE COVID19 RISK REGISTER SINCE LAST REPORT**

**CV04/20 Financial Impact on Income from COVID 19, PLP, Speed Awareness:** - Prior to control measures this was classified as a HIGH risk. This STATIC risk related to there being no physical courses being offered for traffic offences due to the public only doing essential journeys and staying at home, which could have impacted the income stream. In January 2021 the risk level was lowered to MEDIUM as confirmation had been received that NWP would receive funding from the Home Office for loss of income which mitigated the risk. The

Operational Support Services SMT therefore agreed the risk had been treated and could be closed.

**Risk CV07/20 Insurance for staff working from home:** - Prior to control measures this was classified as a MEDIUM risk. This DYNAMIC risk related to staff working from home using work equipment and the requirement to notify their own home insurance providers in case items were stolen or malfunctioned which caused damage to their home i.e. fire. In May 2021 the risk level was lowered to LOW as the risk actions had been completed and therefore mitigated the risk. The Finance and Resources SMT therefore agreed the risk had been treated and could be closed.

**Risk CV09/20 Mental Health Welfare and Wellbeing of staff who are socially isolating (COVID19):** - Prior to control measures this was classified as a LOW risk. This DYNAMIC risk related to staff continuing to work from home and regular contact not being maintained with other team members which could result in morale and mental health issues. In December 2020 the risk level was lowered to LOW as the risk actions had been completed and were being regarded as business as usual. The COVID19 Gold Commander therefore agreed the risk had been treated and could be closed.

**CV12/20 - Communication Plan:** - Prior to control measures this was classified as a LOW risk. This DYNAMIC risk related to messages not being communicated clearly and received by staff which could result in staff being unaware of the COVID19 rules in place leading to confusion and anxiety. In February 2021 the risk level was lowered to NEGLIGIBLE as the risk actions had been completed and therefore mitigated the risk. The COVID19 Gold Commander therefore agreed the risk had been treated and could be closed.

**CV13/20 Home Working Health and Safety:** - Prior to control measures this was classified as a HIGH risk. This DYNAMIC risk related to ensuring staff working from home complied with health and safety requirements which could result in NWP being liable if staff didn't comply. In February 2021 the risk level was lowered to LOW as the risk actions had been completed. The COVID19 Gold Commander therefore agreed the risk had been treated and could be closed.

**CV14/20 Organisational Budget:** - Prior to control measures this was classified as a HIGH risk. This DYNAMIC risk related to the funding envelope reducing and therefore leading to savings having to be made. In June 2021 the risk level was lowered to MEDIUM as the risk actions had been completed. The Tactical Agility Board therefore agreed the risk had been treated and could be closed.

**CV15/20 File Build Training Module:** - Prior to control measures this was classified as a MEDIUM risk. This DYNAMIC risk relates to the cancellation of 3 case file build courses due to COVID19 restrictions which could result in probationers and direct entry officers not being competent to build case files. In November 2020 the risk level was lowered to NEGLIGIBLE as the training courses had been re-scheduled and all the risk actions had been completed and therefore mitigated the risk. The COVID19 Gold Commander therefore agreed the risk had been treated and could be closed.

## 10. RISK CHANGES ON THE FORCE COVID19 RISK REGISTER SINCE LAST REPORT

**Risk CV08/20 Staff Returning to MWP Premises:** - Prior to control measures this was classified as a HIGH risk. This DYNAMIC risk relates to the risk of staff currently working from home

returning to NWP premises which can no longer accommodate everyone due to social distancing requirements, and therefore breaching social distancing guidance. The present risk level was lowered to LOW in May 2021 as the changes in Welsh Government Alert level to level 2 had not seen an influx of staff or requests to return to the buildings.

## 11. FORCE COVID19 RISK REGISTER ACTIONS

**Table 5: - Risk Actions RAG Rating**

Actions Not on Track	Actions On Track but with Issues	Actions On Track	Completed Actions
0	0	4	1

All risk actions remain on track with no issues highlighted.

## 12. DEVELOPMENTS REGARDING RISK MANAGEMENT

### 12.1 ASSURANCE MAPPING UPDATE

Assurance Mapping is still on hold until the Assurance Team is back to full capacity, however this has allowed the Head of Business Intelligence and Force Governance and Policy Officer to attend an online assurance mapping course by the Chartered Institute of Internal Auditors, and as a result, has made the Force reconsider the way in which Assurance Mapping should be progressed. The Senior Leadership Team therefore recently agreed to a proposal to change the focus of Assurance Mapping. This means rather than conducting an Assurance Mapping exercise with all functions, a risk based approach will be taken, looking at high impact risks first and working our way down to lower impact risks, if required. This is the opposite to the approach we had planned to take as a Force. The original plan was to look at low level risks as it was agreed high level risks were managed via the traditional risk register process.

Taking the learning from this course and looking at taking a risk based approach to assurance mapping will put greater focus on the things that matter most. It will also allow the risks recorded on the risk register to be better managed, as those long term (static) risks can be managed via the assurance mapping process and more focus given to the short term (dynamic risks). A risk based approach will also require less investment of time but still be of great value to the Force to ensure there are assurances in place to manage key risks.

A risk based approach will provide succinct information which will be more effective and informative. The process will be much easier to manage and won't become a burdensome task. It will also allow the Force to understand the key risks and the assurances in place to manage those risks or if assurances aren't in place it would highlight gaps which could then be addressed.

Therefore the plan to progress this once the team is back to full capacity is

- Review the Assurance Mapping templates and consider a suitable reporting method to be completed by end of August 2021.
- Undertake the Assurance Mapping Exercise for risks recorded on the risk register with the individual risk leads to be completed by end of September 2021.
- Consult with Chief Officers, Service Leads and SMT's as to what they would like assurance on to be completed by end of October 2021.



- Undertake the Assurance Mapping Exercise with the areas identified by the Service Leads and SMT's between November 2021 and March 2022.
- Consider areas highlighted by Horizon Scanning as possible risks, with a view to putting a continuous process in place from March 2022.

## **12.2 RISK AUDIT BY TIAA**

All actions from the recent All Welsh Forces TIAA audit have now been completed.

## **12.3 RISK APPETITE**

The Force Risk Appetite statement has now been agreed and incorporated into the Risk and Assurance Mapping Framework.

13 FORCE RISK REGISTER AS AT 07/07/2021

URN	Risk Title	Risk Levels			Risk Type	Last Review Date	Outstanding Risk Action Progress			
		Before Controls	Present	Target			Total Number of Outstanding Actions	On Track	On Track but with Issues	Not on Track
3	RMS Legacy Database	High	Med (Force)	Low	Static	16/06/21	1	1		
9	Adequacy of financial resources	Critical	High	Med (Force)	Static	11/05/21	1	1		
10	REDACTED CLOSED SESSION	High	Med (Force)	Low	Static	18/06/21	1	1		
11	REDACTED CLOSED SESSION	High	Low	Negligible	Static	18/06/21	1	1		
13	Inadequate financial resources to deliver service plans	Critical	Med (Force)	Med (Force)	Static	24/06/21	1	1		
14	Risk of loss of money invested on the money market	Critical	Low	Low	Static	24/06/21	0			
46	REDACTED CLOSED SESSION	High	High	Med (Force)	Static	10/05/21	2	2		
47	Ability to Integrate Uplift Officers	High	Low	Low	Static	05/05/21	1	1		
53	REDACTED CLOSED SESSION	High	Med (Force)	Med (Force)	Static	29/06/21	2	2		
54	REDACTED CLOSED SESSION	High	Med (SMT)	Low	Dynamic	15/03/21	0			
57	ESN proves to be an unviable or sub optimal solution given national and local concerns relating to the delivery parameters of Time, Cost & Quality.	High	High	Low	Static	04/05/21	2	2		
60	REDACTED CLOSED SESSION	High	Med (Force)	Med (Force)	Static	24/06/21	1	1		
63	Pandemics	Critical	High	Med (Force)	Static	20/04/21	1	1		
64	REDACTED CLOSED SESSION	Med (Force)	Low	Low	Dynamic	29/06/21	0			

65	REDACTED CLOSED SESSION	High	Med (Force)	Med (Force)	Static	20/04/21	5	5		
66	REDACTED CLOSED SESSION	High	Med (SMT)	Low	Dynamic	11/06/21	2	2		
67	REDACTED CLOSED SESSION	High	Med (Force)	Low	Dynamic	10/05/21	0			
69	REDACTED CLOSED SESSION	High	Med (Force)	Low	Static	20/04/21	1	1		
70	REDACTED CLOSED SESSION	Med (Force)	Med (Force)	Low	Static	30/04/21	3	3		
71	Pensions	High	High	Med (Force)	Static	24/05/21	4	4		
72	Non – compliance with the Data Protection Act	High	Med (Force)	Low	Static	08/06/21	2	2		
73	REDACTED CLOSED SESSION	Critical	Critical	Low	Dynamic	27/05/21	1	1		
74	REDACTED CLOSED SESSION	High	Medium (Force)	Low	Dynamic	05/07/21	9	7		
75	REDACTED CLOSED SESSION	High	High	Medium (SMT)	Dynamic	06/07/21	3	3		

**FORCE COVID19 RISK REGISTER AS AT 07/07/21**

URN	Risk Title	Risk Levels			Risk Type	Last Review Date	Outstanding Risk Action Progress			
		Before Controls	Present	Target			Total Number of Outstanding Actions	On Track	On Track but with Issues	Not on Track
CV05/20	REDACTED CLOSED SESSION	High	Med (Force)	Low	Static	10/05/21	1	1		
CV08/20	Staff returning to NWP Premises	High	Low	Low	Dynamic	24/06/21	1	1		
CV10/20	Imparting culture and ethos on newly recruited remote staff	Low	Low	Low	Static	20/05/21	1	1		
CV11/20	REDACTED CLOSED SESSION	High	Med (Force)	Low	Dynamic	29/06/21	1	1		

\*Undefined – Awaiting completion of Risk Template from Risk Owner



**Joint Audit Committee**

**Meeting Date: 4 August 2021**

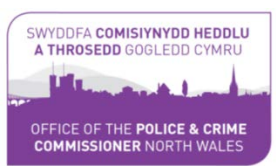
<b>Title:</b>	Proposed Work Programme
<b>Author:</b>	Chief Finance Officer
<b>Purpose of the report:</b>	To agree the work programme
<b>The report is provided to JAC for: (tick one)</b>	<input type="checkbox"/> X Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Assurance <input type="checkbox"/>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

## JOINT AUDIT COMMITTEE

4 August 2021

### PROPOSED WORK PROGRAMME

Report by the Chief Finance Officer



## 1. INTRODUCTION

- 1.1 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.
- 1.2 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.
- 1.3 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.
- 1.4 This report, therefore, includes the proposed work plan for the next twelve months. Where the meeting date has not yet been finalised, the month of the meeting is shown for guidance.

## 2. RECOMMENDATIONS

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

### 3. WORK PROGRAMME

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

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

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

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

<b>Date of Meeting</b>	<b>Work Programme 2021/22</b>
6 October 2021	<ul style="list-style-type: none"> <li>• ISA 260 and signing of accounts 2020/21</li> <li>• Governance update</li> <li>• FM Code Update</li> <li>• Treasury Management Performance</li> <li>• HMICFRS Value for Money Profiles</li> <li>• Deep dive - Collaboration Overview</li> </ul>
8 December 2021	<ul style="list-style-type: none"> <li>• Audit Wales – Value for Money and Annual Audit Report (Management Letter)</li> <li>• Audit Wales – data analytics</li> <li>• Legal report</li> <li>• Risk strategy &amp; risk appetite statement – Annual review</li> <li>• Governance update</li> <li>• Ethics</li> <li>• Treasury Management Performance</li> <li>• Risk deep dive: ICT resilience</li> <li>• Deep dive: Capital Programme – progress 2021/22 (open)</li> </ul>
Spring 2022	<ul style="list-style-type: none"> <li>• Welsh Joint Audit Committees annual event</li> </ul>
28 March 2022	<ul style="list-style-type: none"> <li>• Capital Strategy (including the Treasury Management Strategy) <i>to be approved before 1 April 2022</i></li> <li>• Governance update – including draft AGS; Audit Wales – annual plan</li> </ul>

	<ul style="list-style-type: none"> <li>• Force management statement</li> <li>• Risk strategy &amp; risk appetite statement – Annual review</li> <li>• JAC Annual Report - draft report and discussion</li> <li>• Deep Dive – Safer Streets/Commissioning</li> <li>• Audit Wales – AW staff member from data analytics team to attend meeting</li> <li>• Ethics Committee</li> </ul>
June 2022	<ul style="list-style-type: none"> <li>• Accounts Technical Briefing</li> </ul>
28 July 2022	<ul style="list-style-type: none"> <li>• ISA 260 and signing of accounts <i>to be signed by 31 July 2022</i></li> <li>• Force Management Statement</li> <li>• Self-assessment and Annual report of JAC – final report</li> <li>• Information management and compliance</li> <li>• Capital programme (outturn and forward look)</li> </ul>

Provisional Risk Deep Dive Programme	<ul style="list-style-type: none"> <li>• <i>Current items factored into programme.</i></li> </ul>
Prior Risk Deep Dives to reference in Periodic Risk Report	<ul style="list-style-type: none"> <li>• Command &amp; Control</li> <li>• ICT Sourcing Strategy</li> <li>• Cyber</li> </ul>
Other items to be discussed with JAC	Provision of internal audit services

#### 4. IMPLICATIONS

4.1	Equality	Equalities legislation was taken into account when recruiting the independent members of the Joint Audit Committee. There is a <a href="#">Joint Equalities' Scheme</a> in place.
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 <a href="#">Terms of Reference</a> , which has been prepared in accordance with <i>Audit Committees\Practical Guidance for local Authorities and Police - 2018 Edition (CIPFA)</i> . This work programme takes account of the statutory and practical requirements to fulfil these obligations.
4.4	Community	Meeting papers and minutes are published, and the meetings are open for the public to attend.

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

**Report Author:**

Kate Jackson

Chief Finance Officer, Office of the Police and Crime Commissioner





**Joint Audit Committee**

**Meeting Date: 4 August 2021**

<b>Title:</b>	<b>Treasury Management Outturn Report 2020-21</b>
<b>Author:</b>	<b>Chief Finance Officer</b>
<b>Purpose of the report:</b>	<b>To report on the performance of the treasury management function</b>
<b>The report is provided to JAC for: (tick one)</b>	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> <b>Assurance</b> <input type="checkbox"/> Information
<b>Summary / Key Points:</b>	<ul style="list-style-type: none"> <li>• The CIPFA’s Treasury Management (TM) in the Public Services’ Code of practice requires a report on performance of the TM function to be considered at least twice a year.</li> <li>• It contains a summary of TM activity undertaken during 2020-21.</li> <li>• It deals with the investment of surplus cash and any borrowing requirements.</li> <li>• <b>Treasury Investment Activity:</b> It highlights whether or not any limits or indicators were breached. During 2020-21 no statutory indicators were breached, with only a minor planned breach of the voluntary liquidity indicator (see paragraph 6). The Treasury Management Strategy for 2021-22 has been updated to include a lower operational limit of £7.5m for a maximum of 14 days which is for practical purposes and to avoid unnecessary short term borrowing.</li> <li>• <b>Compliance – Investment Limits:</b> A higher balance was purposely held in the current account to ensure sufficient liquidity over April and May during the COVID 19 lockdown period, resulting in the total held with HSBC (the Commissioner’s bankers) being at a maximum of £19.2m compared to the investment limit of £10m.</li> </ul>
<b>Recommendations:</b>	The report is submitted to the Joint Audit Committee for information and comment, and to provide further assurance to the Police and Crime Commissioner.
<b>Risk register impact:</b>	No impact – the arrangements are designed to manage the risk from investing and borrowing.
<b>Assurance implications:</b>	The report sets out the performance against agreed rules and limits for investing and borrowing money per the TM Strategy in place for 2020-21
<b>Equality Impact:</b>	No impact.
<b>Information exempt from disclosure:</b>	No exempt information.

# TREASURY MANAGEMENT OUTTURN REPORT 2020-2021

## 1. Introduction

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

The Police and Crime Commissioner's Capital Strategy which includes the Treasury Management Strategy for 2020/21 was scrutinised at the Joint Audit Committee on the 9 March 2020, and approved by a Decision Notice dated the 17 March 2020. The Police and Crime Commissioner has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Police and Crime Commissioner's treasury management strategy.

Treasury risk management at the Police and Crime Commissioner is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Police and Crime Commissioner to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Police and Crime Commissioner's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by the Police and Crime Commissioner covering capital expenditure and financing, treasury management and non-treasury investments.

## 2. External Context

**Economic background:** The coronavirus pandemic dominated 2020/21, leading to almost the entire planet being in some form of lockdown during the year. The start of the financial year saw many central banks cutting interest rates as lockdowns caused economic activity to grind to a halt. The Bank of England cut Bank Rate to 0.1% and the UK government provided a range of fiscal stimulus measures, the size of which has not been seen in peacetime.

Some good news came in December 2020 as two COVID-19 vaccines were given approval by the UK Medicines and Healthcare products Regulatory Agency (MHRA). The UK vaccine rollout started in earnest; over 31 million people had received their first dose by 31<sup>st</sup> March.

A Brexit trade deal was agreed with only days to spare before the 11pm 31<sup>st</sup> December 2020 deadline having been agreed with the European Union on Christmas Eve.

The Bank of England (BoE) held Bank Rate at 0.1% throughout the year but extended its Quantitative Easing programme by £150 billion to £895 billion at its November 2020 meeting. In its March 2021 interest rate announcement, the BoE noted that while GDP would remain low in the near-term due to COVID-19 lockdown restrictions, the easing of these measures means growth is expected to recover strongly later in the year. Inflation is forecast to increase in the near-term and

while the economic outlook has improved there are downside risks to the forecast, including from unemployment which is still predicted to rise when the furlough scheme is eventually withdrawn.

Government initiatives supported the economy and the Chancellor announced in the 2021 Budget a further extension to the furlough (Coronavirus Job Retention) scheme until September 2021. Access to support grants was also widened, enabling more self-employed people to be eligible for government help. Since March 2020, the government schemes have helped protect more than 11 million jobs.

Despite the furlough scheme, unemployment still rose. Labour market data showed that in the three months to January 2021 the unemployment rate was 5.0%, in contrast to 3.9% recorded for the same period 12 months ago. Wages rose 4.8% for total pay in nominal terms (4.2% for regular pay) and was up 3.9% in real terms (3.4% for regular pay). Unemployment is still expected to increase once the various government job support schemes come to an end.

Inflation has remained low over the 12 month period. Latest figures showed the annual headline rate of UK Consumer Price Inflation (CPI) fell to 0.4% year/year in February, below expectations (0.8%) and still well below the Bank of England's 2% target. The ONS' preferred measure of CPIH which includes owner-occupied housing was 0.7% year/year (1.0% expected).

After contracting sharply in Q2 (Apr-Jun) 2020 by 19.8% q/q, growth in Q3 and Q4 bounced back by 15.5% and 1.3% respectively. The easing of some lockdown measures in the last quarter of the calendar year enabled construction output to continue, albeit at a much slower pace than the 41.7% rise in the prior quarter. When released, figures for Q1 (Jan-Mar) 2021 are expected to show a decline given the national lockdown.

After collapsing at an annualised rate of 31.4% in Q2, the US economy rebounded by 33.4% in Q3 and then a further 4.1% in Q4. The US recovery has been fuelled by three major pandemic relief stimulus packages totalling over \$5 trillion. The Federal Reserve cut its main interest rate to between 0% and 0.25% in March 2020 in response to the pandemic and it has remained at the same level since. Joe Biden became the 46<sup>th</sup> US president after defeating Donald Trump.

The European Central Bank maintained its base rate at 0% and deposit rate at -0.5% but in December 2020 increased the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.

**Financial markets:** Monetary and fiscal stimulus helped provide support for equity markets which rose over the period, with the Dow Jones beating its pre-crisis peak on the back of outperformance by a small number of technology stocks. The FTSE indices performed reasonably well during the period April to November, before being buoyed in December by both the vaccine approval and Brexit deal, which helped give a boost to both the more internationally focused FTSE 100 and the more UK-focused FTSE 250, however they remain lower than their pre-pandemic levels.

Ultra-low interest rates prevailed throughout most of the period, with yields generally falling between April and December 2020. From early in 2021 the improved economic outlook due to the new various stimulus packages (particularly in the US), together with the approval and successful rollout of vaccines, caused government bonds to sell off sharply on the back of expected higher inflation and increased uncertainty, pushing yields higher more quickly than had been anticipated.

The 5-year UK benchmark gilt yield began the financial year at 0.18% before declining to -0.03% at the end of 2020 and then rising strongly to 0.39% by the end of the financial year. Over the same period the 10-year gilt yield fell from 0.31% to 0.19% before rising to 0.84%. The 20-year declined slightly from 0.70% to 0.68% before increasing to 1.36%.

1-month, 3-month and 12-month SONIA bid rates averaged 0.01%, 0.10% and 0.23% respectively over the financial year.

The yield on 2-year US treasuries was 0.16% at the end of the period, up from 0.12% at the beginning of January but down from 0.21% at the start of the financial year. For 10-year treasuries the end of period yield was 1.75%, up from both the beginning of 2021 (0.91%) and the start of the financial year (0.58%).

German bund yields continue to remain negative across most maturities.

**Credit review:** After spiking in March 2020, credit default swap spreads declined over the remaining period of the year to broadly pre-pandemic levels. The gap in spreads between UK ringfenced and non-ringfenced entities remained, albeit Santander UK is still an outlier compared to the other ringfenced/retail banks. At the end of the period Santander UK was trading the highest at 57bps and Standard Chartered the lowest at 32bps. The other ringfenced banks were trading around 33 and 34bps while Nationwide Building Society was 43bps.

Credit rating actions to the period ending September 2020 have been covered in previous outturn reports. Subsequent credit developments include Moody's downgrading the UK sovereign rating to Aa3 with a stable outlook which then impacted a number of other UK institutions, banks and local government. In the last quarter of the financial year S&P upgraded Clydesdale Bank to A- and revised Barclay's outlook to stable (from negative) while Moody's downgraded HSBC's Baseline Credit Assessment to baa3 whilst affirming the long-term rating at A1.

The vaccine approval and subsequent rollout programme are both credit positive for the financial services sector in general, but there remains much uncertainty around the extent of the losses banks and building societies will suffer due to the economic slowdown which has resulted due to pandemic-related lockdowns and restrictions. The institutions and durations on the Authority's counterparty list recommended by treasury management advisors Arlingclose remain under constant review, but at the end of the period no changes had been made to the names on the list or the recommended maximum duration of 35 days.

### 3. Local Context

On 31<sup>st</sup> 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

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

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

Source: Capital Strategy Report 2020-21 (various tables)  
# to maintain minimum investment benchmark of £10m

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

The treasury management position at 31<sup>st</sup> March 2021 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	<b>31.3.20 Balance £m</b>	<b>Movement £m</b>	<b>31.3.21 Balance £m</b>	<b>31.3.21 Weighted Average Rate %</b>	<b>2020-21 Benchmark £m</b>
Long-term borrowing	9.9	(0.5)	9.4	1.25	-
Short-term borrowing	5.0	(5.0)	0.0	-	-
<b>Total borrowing</b>	<b>14.9</b>	<b>(5.5)</b>	<b>9.4</b>	<b>-</b>	<b># 14.8</b>
Long-term investments	0	0	0	-	-
Short-term investments	0	(6.0)	(6.0)	0.00	-
Cash and cash equivalents	(15.5)	(0.4)	(15.9)	0.02	-
<b>Total investments</b>	<b>(15.5)</b>	<b>(6.4)</b>	<b>(21.9)</b>	<b>-</b>	<b># (10.0)</b>
<b>Net borrowing / (investments)</b>	<b>(0.6)</b>	<b>(11.9)</b>	<b>(12.5)</b>	<b>-</b>	<b>4.8</b>

# to maintain minimum investment benchmark of £10m

As a result of the impact of COVID and other reasons, the Capital Programme expenditure during 2020-21 was less than budgeted. This, as well as an increase in revenue reserves and capital receipt

reserves, has resulted in a temporary rise in the level of useable reserves. This consequently reduced the need to borrow.

### **Borrowing Update**

In November 2020 the PWLB published its response to the consultation on 'Future Lending Terms'. From 26<sup>th</sup> November the margin on PWLB loans above gilt yields was reduced from 1.8% to 0.8% providing that the borrowing authority can confirm that it is not planning to purchase 'investment assets primarily for yield' in the current or next two financial years. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. As part of the borrowing process authorities will now be required to submit more detailed capital expenditure plans with confirmation of the purpose of capital expenditure from the Section 151 Officer. The PWLB can now also restrict local authorities from borrowing in unusual or large amounts.

Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management. Misuse of PWLB borrowing could result in the PWLB requesting that the Authority unwinds problematic transactions, suspending access to the PWLB and repayment of loans with penalties.

Competitive market alternatives may be available for authorities with or without access to the PWLB. However, the financial strength of the individual authority and borrowing purpose will be scrutinised by commercial lenders.

The Police and Crime Commissioner is not planning to purchase any investment assets primarily for yield and so is able to take advantage of the reduction in the PWLB borrowing rate.

UK Infrastructure Bank: In his March 2021 budget the Chancellor confirmed that a UK Infrastructure Bank will be set up with £4bn in lending earmarked for local authorities from the summer of 2021. Loans will be available at gilt yield plus 0.60%, 0.20% lower than the PWLB certainty rate. A bidding process to access these loans is likely with a preference to projects likely to help the government meet its Net Zero emissions target. However other "high value and complex economic infrastructure projects" may also be considered.

#### **4. Borrowing Strategy during the year**

At 31<sup>st</sup> March 2021 the Police and Crime Commissioner held £9.4m of loans, (a decrease of £5.5m from 31<sup>st</sup> March 2020), as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 31<sup>st</sup> March are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.20 Balance £m	Net Movement £m	31.3.21 Balance £m	31.3.21 Weighted Average Rate %
Public Works Loan Board	9.9	(0.5)	9.4	1.25
Local authorities (short-term)	5.0	(5.0)	0.0	-
<b>Total borrowing</b>	<b>14.9</b>	<b>(5.5)</b>	<b>9.4</b>	-

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

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

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

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

## 5. Other Debt Activity

After £0.8m repayment of prior years' Private Finance Initiative liabilities, total debt other than borrowing stood at £9.1m on 31<sup>st</sup> March 2021, taking total debt to £18.5m.

## 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 year, the Police and Crime Commissioner's investment balances ranged between £8.8m and £42.2m due to timing differences between income and expenditure, with the average daily balance for the year being £26.6m. This breached the voluntary minimum of cash available overnight of £10.0m on 2 occasions (dipping down to £8.8m and to £9.3m) which was done with the prior knowledge that balances would

recover to over £10.0m within an acceptable timescale. (The Treasury Management Strategy for 2021-22 has been updated to include a lower operational limit of £7.5m for a maximum of 14 days which is for practical purposes and to avoid unnecessary short term borrowing). A graph of the daily investment balance and the investment position over the last financial year are shown in graph 1 and table 4 below.

Graph 1: Daily investment balance (2020-21)

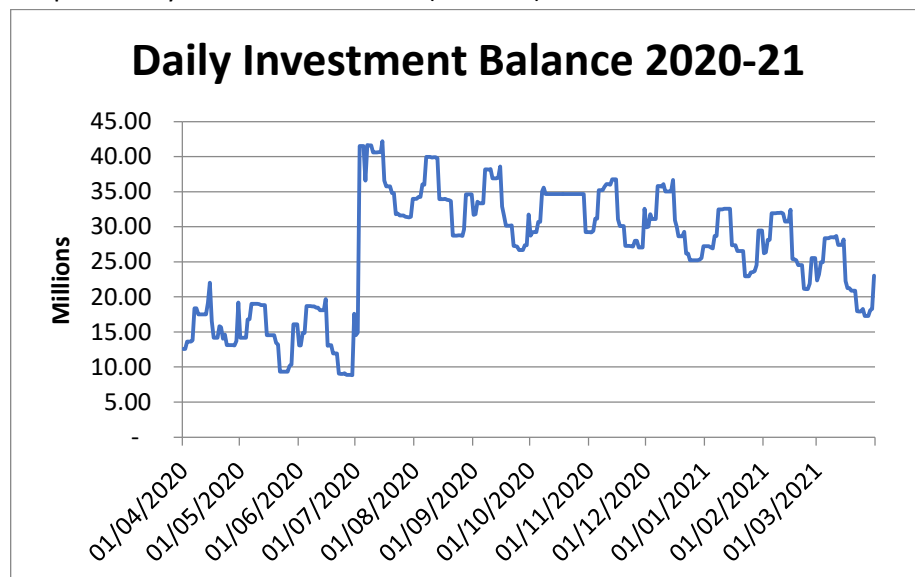


Table 4: Treasury Investment Position

	<b>31.3.20 Balance £m</b>	<b>Net Movement £m</b>	<b>31.3.21 Balance £m</b>	<b>31.3.21 Income Return %</b>	<b>31.3.21 Weighted Average Maturity days</b>
Banks & building societies (unsecured) – including 31 day notice account with HSBC	15.5	0.4	15.9	n/a	0.73
Government (incl. local authorities)	0.0	6.0	6.0	n/a	4.39
<b>Total investments</b>	<b>15.5</b>	<b>6.4</b>	<b>21.9</b>	<b>0.02%</b>	<b>5.12</b>

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



Deposit rates with the Debt Management Account Deposit Facility (DMADF) have continued to fall and are now largely around zero. The net return on Money Market Funds net of fees, which had fallen after Bank Rate was cut to 0.1% in March, are now at or very close to zero; fund management companies have temporarily lowered or waived fees to avoid negative net returns.

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

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

	<b>Credit Score</b>	<b>Credit Rating</b>	<b>Bail-in Exposure</b>	<b>Weighted Average Maturity (days)</b>	<b>Rate of Return %</b>
31.03.2020	4.33	AA-	100%	16	0.55%
31.03.2021	4.45	AA-	74%	5	0.02%
<b>Similar LAs</b>	<b>4.55</b>	<b>A+</b>	<b>70%</b>	<b>26</b>	<b>0.71%</b>
<b>All LAs</b>	<b>4.63</b>	<b>A+</b>	<b>63%</b>	<b>14</b>	<b>2.26%</b>

Following the cut in Bank rate from 0.75% to 0.10% in March 2020, the Police and Crime Commissioner had expected to receive significantly lower income from its cash and short-dated money market investments as rates on cash investments are close to zero percent. Income from most of the Authority’s externally managed funds will also be lower than in 2019/20 and earlier years. Whilst the arrival and approval of vaccines against COVID-19 and the removal of Brexit uncertainty that had weighed on UK equities were encouraging developments, dividend and income distribution was dependent on company earnings in a very challenging and uncertain trading environment as well as enforced cuts or deferral required by regulatory authorities. As a guide, comparing 2020/21 to 2019/20, the Police and Crime Commissioner received £7k by way of interest on its investments in 2020/21 (£129k in 2019/20).

## **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 didn’t hold any non-treasury investments during 2020/21.

## **8. Compliance**

The Chief Finance Officer reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Police and Crime Commissioner’s

approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 8 below.

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

Table 7: Debt Limits

	<b>2020/21 Maximum</b>	<b>31.3.21 Actual</b>	<b>2020/21 Operational Boundary</b>	<b>2020/21 Authorised Limit</b>	<b>Complied? Yes/No</b>
Borrowing	£14.9m	£9.4m	£23.8m	£25.8m	Yes
PFI and Finance Leases	£9.1m	£9.1m	£9.1m	£9.1m	Yes
<b>Total debt</b>	<b>£24.0m</b>	<b>£18.5m</b>	<b>£32.9m</b>	<b>£34.9m</b>	Yes

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

Table 8: Investment Limits

	<b>2020/21 Maximum</b>	<b>31.3.21 Actual</b>	<b>2020/21 Limit</b>	<b>Complied? Yes/No</b>
Any single organisation, except the UK Government	£4.0m	£4.0m	£7.0m	Yes
HSBC (being the Commissioner's bankers)	£19.2m	£9.0m	£10.0m	No*

\*a higher balance was purposely held in the current account to ensure sufficient liquidity over April and May during the COVID 19 lockdown period (as reported in the Treasury Management half yearly report) .

### **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.

	<b>31.3.21 Actual</b>	<b>2020/21 Minimum criteria</b>	<b>Complied?</b>
Portfolio average credit rating	AA-	A-	Yes

**Liquidity:** The Police and Crime Commissioner has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount available overnight set as a minimum of £10m.

	<b>31.3.21 Actual</b>	<b>2020/21 Minimum</b>	<b>Complied?</b>
Total cash available overnight	£15.9m	£8.8m	No *

*\* please see paragraph 6 above for explanation*

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

	<b>31.3.20 Actual</b>	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Complied?</b>
Under 12 months	100%	100%	0%	Yes
12 months and within 24 months	0%	100%	0%	Yes
24 months and within 5 years	0%	100%	0%	Yes
5 years and within 10 years	0%	100%	0%	Yes
10 years and above	0%	100%	0%	Yes

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

**Principal Sums Invested for Periods Longer than 365 days:** The purpose of this indicator is to control the Police and Crime Commissioner's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Actual principal invested beyond year end	£0m	£0m	£0m
Limit on principal invested beyond year end	£5m	£5m	£5m
Complied?	Yes	Yes	Yes

## 9. Other

**CIPFA consultations:** In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These follow the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. These are principles-based consultations and will be followed by more specific proposals later in the year.

In the Prudential Code the key area being addressed is the statement that "local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed". Other proposed changes include the sustainability of capital expenditure in accordance with an authority's corporate objectives, i.e. recognising climate, diversity and innovation, commercial investment being proportionate to budgets, expanding the

capital strategy section on commercial activities, replacing the “gross debt and the CFR” with the liability benchmark as a graphical prudential indicator.

Proposed changes to the Treasury Management Code include requiring job specifications and “knowledge and skills” schedules for treasury management roles to be included in the Treasury Management Practices (TMP) document and formally reviewed, a specific treasury management committee for MiFID II professional clients and a new TMP 13 on Environmental, Social and Governance Risk Management.

**IFRS 16:** The implementation of the new IFRS 16 Leases accounting standard has been delayed for a further year until 2022/23.



**Joint Audit Committee**

**Meeting Date: 4<sup>th</sup> August 2021**

<b>Title:</b>	Force Management Statement
<b>Author:</b>	Matt Sherrington
<b>Purpose of the report:</b>	Pre-Inspection report for HMICFRS
<b>The report is provided to JAC for: (tick one)</b>	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Assurance <input checked="" type="checkbox"/> Information
<b>Summary / Key Points:</b>	<ul style="list-style-type: none"> <li>• The Force Management Statement (FMS) is a statutory requirement from HMICFRS for forces to articulate their understanding of demand, capacity, capability and preparedness for the future.</li> <li>• Overall the force is in a positive position and has been able to address the key gaps in our ability to manage demand.</li> <li>• The planning process for 2021-2022 has effectively identified areas for improvement and prioritised our resources using a strong evidence base.</li> <li>• The next challenge is to embed a more holistic planning culture across the organisation.</li> </ul>
<b>Recommendations:</b>	None
<b>Risk register impact:</b>	None
<b>Assurance implications:</b>	None
<b>Equality Impact:</b>	None
<b>Information exempt from disclosure:</b>	None



**Joint Audit Committee**

**Meeting Date: 4 August 2021**

<b>Title:</b>	<b>Audit enquiries to those charged with governance and management</b>
<b>Author:</b>	CFO/DFR
<b>Purpose of the report:</b>	<p>The Auditor General for Wales is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error.</p> <p>Part of this process involves Wales Audit formally seeking documented consideration and understanding on a number of governance areas that impact on the audit of the financial statements. These considerations are relevant to both management and 'those charged with governance'.</p> <p>These are in the form of a set of questions which are included, with answers, in the Appendix.</p>
<b>The report is provided to JAC for: (tick one)</b>	<p>Decision</p> <p>Discussion</p> <p><input checked="" type="checkbox"/> Assurance</p> <p><input checked="" type="checkbox"/> Information</p>
<b>Summary / Key Points:</b>	No issues to be highlighted. The answers are linked to the Annual Governance Statement (AGS) and are sourced from the AGS process.
<b>Recommendations:</b>	To note the assurances to be given to the auditor.
<b>Risk register impact:</b>	None
<b>Assurance implications:</b>	To give the auditor assurance on the specific governance areas set out.
<b>Equality Impact:</b>	None
<b>Information exempt from disclosure:</b>	No

## **Appendix 1**

### **Matters in relation to fraud**

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

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

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

#### **What are we required to do?**

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

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

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

Enquiries of management – in relation to fraud		
Question	2020-21 Response	2019-20 Response
1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud and what are the principal reasons?	<p>The Police and Crime Commissioner and Chief Constable have an Anti-Fraud and Corruption policy and whistleblowing arrangements in place which manage effectively the risk of fraud and corruption. Processes for declaring interest and registers for gifts and hospitalities are maintained and updated as required.</p> <p>Both the Joint Audit Committee and the Police and Crime Panel discharged fully all the functions as identified in the relevant CIPFA publication for Audit Committees.</p>	<p>The Police and Crime Commissioner and Chief Constable have an Anti-Fraud and Corruption policy and whistleblowing arrangements in place which manage effectively the risk of fraud and corruption. Processes for declaring interest and registers for gifts and hospitalities are maintained and updated as required.</p> <p>Both the Joint Audit Committee and the Police and Crime Panel discharged fully all the functions as identified in the relevant CIPFA publication for Audit Committees.</p>
2. What processes are employed to identify and respond to the risks of fraud more generally and specific risks of misstatement in the financial statements?	<p>From our Governance framework:</p> <p>Measure: anti-fraud and corruption policies which are up to date and working effectively</p> <p>Controls: Lesson Learned; MOU between IA, CFO's and PSD; Safecall; PSD; IOPC; PCP; TIAA fraud alerts.</p> <p>Measure: co-operation with the National Fraud Initiative</p> <p>Controls: we participate in the NFI exercises and these are externally validated by AW; effective anti-fraud and corruption policies and procedures; procedures devised to minimise risk of fraud and error and/or to assist detection; IA; PSD</p> <p>Measure: compliance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014)</p>	<p>From our Governance framework:</p> <p>Measure: anti-fraud and corruption policies which are up to date and working effectively</p> <p>Controls: LESSON LEARNED, MOU BETWEEN IA, CFO's and PSD updated in 2019-20, Safecall, PSD / etc. IPCC/ PCP.</p> <p>Measure: co-operation with the National Fraud Initiative</p> <p>Controls: we participate in the NFI exercises and these are externally validated by WAO; effective anti-fraud and corruption policies and procedures; Procedures devised to minimise risk of fraud and error and/or to assist detection; IA, PSD</p> <p>Measure: compliance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014)</p>



Enquiries of management – in relation to fraud		
Question	2020-21 Response	2019-20 Response
3. What arrangements are in place to report fraud issues and risks to the Authority?	<p>From our Governance framework:</p> <p>Measure: anti-fraud and corruption policies which are up to date and working effectively</p> <p>Controls: Lesson Learned; MOU between IA, CFO's and PSD; Safecall; PSD; IOPC; PCP; TIAA fraud alerts.</p>	<p>From our Governance framework:</p> <p><b>Measure:</b> anti-fraud and corruption policies which are up to date and working effectively</p> <p><b>Controls:</b> LESSON LEARNED, MOU BETWEEN IA, CFO's AND PSD updated in 2019-20, safecall, PSD / etc. IPCC/ PCP.</p>
4. How has management communicated expectations of ethical governance and standards of conduct and behaviour to all relevant parties, and when?	<p>From our Governance framework:</p> <p>Measure: Ensuring that the PCC, chief officers and staff behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby promoting and upholding the reputation of the organisation among its stakeholders.</p> <p>Controls: Ethics Committee; staff support networks; CC held leadership seminar and staff roadshows online; CC and chief officers visit sites regularly to engage with staff and officers (subject to Covid regulations); Senior Management NPCC meetings and SMT's; health &amp; wellbeing agenda emphasised; PCC via Panel; Staff surveys; Force via PCC &amp; Staff Associations.</p> <p>Measure: Ensuring the PCC and chief officers lead in establishing specific standard operating principles or values for their organisations and staff and that they are communicated and understood. The values should build on the Nolan Principles and the Code of Ethics.</p> <p>Controls: PSD (ACU Anti Corruption Unit) part of induction process; enhanced vetting programme; mandatory training such as data protection carried out annually; Codes of</p>	<p>From our Governance framework:</p> <p><b>Measure:</b> Ensuring that the PCC, chief officers and staff behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby promoting and upholding the reputation of the organisation among its stakeholders.</p> <p><b>Controls:</b> Ethics Board, Strategy MATS. Staff support networks. CC held leadership seminar, CC and chief officers visit sites regularly to engage with staff and officers, Senior Management NPCC meetings and SMT's. Occy health, health &amp; wellbeing agenda emphasised, PSD Strategy MATS PCC – Panel Staff surveys Force – PCC Fed, Unison</p> <p><b>Measure:</b> Ensuring the PCC and chief officers lead in establishing specific standard operating principles or values for their organisations and staff and that they are communicated and understood. The values should build on the Nolan Principles and the Code of Ethics.</p> <p><b>Controls:</b> PSD (ACU) part of induction process / enhanced vetting programme. Mandatory training such as data protection carried out annually Codes of Conduct</p>

**Enquiries of management – in relation to fraud**

Question	2020-21 Response	2019-20 Response
	<p>Conduct (OPCC); Code of Ethics; Published Values (Force). Information standards &amp; compliance carry out audits on data protection, information security and monitoring (systems and information). Joint Audit Committee to abide by Nolan Principles. Internal Audit Publication schemes; FOI; HMICFRS (Force); APP Measures; Leading by example and using above standard operating principles or values as a framework for decision making and other actions; Governance review undertaken 2019-20 and recommendations implemented 2020-21; Decision making policy.</p> <p>Measure: Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure they are operating effectively.</p> <p>Controls: APPs Policy library National decision making protocol; internal policies reviewed regularly by Assurance Board and updated when necessary.</p> <p>Measure: The Code of Ethics express purpose in underpinning organisational culture.</p> <p>Controls: code of conduct staff and elected members; code of ethics, misconduct regs for force and awareness of the appraisal process in place.</p> <p>Measure: Standards of professional behaviour</p> <p>Controls: Code of ethics (CC); Professional ethics (DFR/CFO).</p>	<p>(OPCC); Code of Ethics, Published Values (Force) Information standards &amp; compliance carry out audits on data protection, information security and monitoring (systems and information) Joint Audit Committee to abide by Nolan Principles Internal Audit Publication schemes; FOI; HMICFRS (Force); APP Measures: Leading by example and using above standard operating principles or values as a framework for decision making and other actions. Governance review undertaken 2019-20 and recommendations being implemented going forward; Decision making policy.</p> <p><b>Measure:</b> Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure they are operating effectively.</p> <p>APPs Policy library National decision making protocol</p> <p><b>Measure:</b> The Code of Ethics expressed purpose in underpinning organisational culture.</p> <p><b>Controls:</b> code of conduct staff and elected members; code of ethics, misconduct regs for force and awareness of the appraisal process in place.</p> <p><b>Measure:</b> Standards of professional behaviour</p> <p><b>Controls:</b> Code of ethics (CC) Professional ethics (DFR/CFO).</p>

Enquiries of management – in relation to fraud		
Question	2020-21 Response	2019-20 Response
5. Are you aware of any instances of actual, suspected or alleged fraud within the audited body since 1 April 2020?	No	Yes – one instance of fraud was reported in 2019/20 to PSD which was communicated onwards and appropriate action taken.

**Enquiries of those charged with governance – in relation to fraud**

Question	2020-21 Response	2019-20 Response
<p>1. How does the Authority, exercise oversight of management's processes for identifying and responding to the risks of fraud within the Authority and the internal control that management has established to mitigate those risks?</p>	<p>CFO, DFR, Internal Audit and PSD have contacted each other at regular intervals to confirm whether they have had any such instances.</p> <p>Controls as detailed in the governance framework. This is overseen by the Joint Governance Board.</p>	<p>CFO, DFR, Internal Audit and PSD have contacted each other at regular intervals to confirm whether they have had any such instances. One was reported in 2019/20.</p> <p>Controls as detailed in the governance framework. This is overseen by the Joint Governance Board.</p>
<p>2. Are you aware of any instances of actual, suspected or alleged fraud within the audited body since 1 April 2020?</p>	<p>No</p>	<p>Yes – one (as above).</p>

## **Appendix 2**

### **Matters in relation to laws and regulations**

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

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

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

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

### **What are we required to do?**

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

## Enquiries of management – in relation to laws and regulations

Question	2020-21 Response	2019-20 Response
<p>1. How have you gained assurance that all relevant laws and regulations have been complied with?</p>	<p>Joint Governance Board - in 2020-21 the Board met quarterly in accordance with the revised Terms of Reference.</p> <p>Attendees include: DFR (Force), CFO (OPCC), CEO (OPCC), TIAA (internal audit), CIO, Force Solicitor, Chair of Assurance Board, representative of the JAC, and others as required.</p>	<p>Joint Governance Board met twice in 2019-20 to record and raise all governance issues. In 2020-21 the Terms of Reference for this Board has been updated, and will meet quarterly going forward.</p> <p>Attendees include: DFR (Force) CFO (OPCC) CEO (OPCC) TIAA (internal audit) CIO, representative of the JAC, and others as required.</p>
<p>2. Are there any potential litigations or claims that would affect the financial statements?</p>	<p>The Police and Crime Commissioner has the sum of £1.173 million reserved for insurance. £0.649 million relates to the potential additional liabilities in relation to the Scheme of Arrangement for Municipal Mutual Assurance and £0.524 million for additional areas of insurance in relation to current emerging claims not currently recognised.</p> <p>Contingent liabilities are reviewed as part of the year-end processes, and will be reported in the statements of accounts.</p>	<p>The Police and Crime Commissioner has the sum of £1.173 million reserved for insurance. £0.649 million relates to the potential additional liabilities in relation to the Scheme of Arrangement for Municipal Mutual Assurance and £0.524 million for additional areas of insurance in relation to current emerging claims not currently recognised.</p> <p>Contingent liabilities are reviewed as part of the year-end processes, and will be reported in the statements of accounts.</p>
<p>3. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations since 1 April 2020, or earlier with an ongoing impact on the</p>	<p>No.</p>	<p>No.</p>

2020-21 financial statements?		
4. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	No.	No.

**Enquiries of those charged with governance – in relation to laws and regulations**

Question	2020-21 Response	2019-20 Response
<p>1. How does the Authority in its role as those charged with governance, obtain assurance that all relevant laws and regulations have been complied with?</p>	<p>Joint Governance Board - in 2020-21 the Board met quarterly in accordance with the revised Terms of Reference. Attendees include: DFR (Force), CFO (OPCC), CEO (OPCC), TIAA (internal audit), CIO, Force Solicitor, Chair of Assurance Board, representative of the JAC, and others as required.</p>	<p>Joint Governance Board met twice in 2019-20 to record and raise all governance issues. In 2020-21 the Terms of Reference for this Board has been updated, and will meet quarterly going forward. Attendees include: DFR (Force) CFO (OPCC) CEO (OPCC) TIAA (internal audit) CIO, representative of the JAC, and others as required.</p>
<p>2. Are the you aware of any instances of non-compliance with relevant laws and regulations?</p>	<p>No.</p>	<p>No.</p>



## **Appendix 3**

### **Matters in relation to related parties**

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

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

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

### **What are we required to do?**

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

**Enquiries of management – in relation to related parties**

Question	2020-21 Response	2019-20 Response
<p>1. Confirm that you have disclosed to the auditor:</p> <ul style="list-style-type: none"> <li>• the identity of any related parties, including changes from the prior period;</li> <li>• the nature of the relationships with these related parties;</li> <li>• details of any transactions with these related parties entered into during the period, including the type and purpose of the transactions.</li> </ul>	<p>Yes</p> <p>Members of the Joint Audit Committee declared all their financial interests relating to contracts and businesses on appointment and signed an agreement to abide by the Seven Nolan Principles of Life and declare any revised interests to the Chief Executive. Joint Audit Committee members declarations of interests can be found on the Office of the Police and Crime Commissioner’s website <a href="http://www.northwales-pcc.gov.uk">www.northwales-pcc.gov.uk</a></p> <p>There are also no material interests or relationships of the Chief Officers or their direct families, which could influence or control the decision making, policies or financial transactions of North Wales Police/Police and Crime Commissioner. A robust process is also in place to approve and register the business interests of both police staff and officers.</p> <p>The Police and Crime Commissioner’s (previous PCC up to May 2021) wife is a serving Councillor for Wrexham Council and is a member of the Planning Committee, Safeguarding and Wellbeing Scrutiny Committee, Corporate Land and Buildings Committee, Licensing Committee and Community Health Council.</p> <p>The Police and Crime Commissioner charges Denbighshire County Council, Abergele Town</p>	<p>Yes</p> <p>Members of the Joint Audit Committee declared all their financial interests relating to contracts and businesses on appointment and signed an agreement to abide by the Seven Nolan Principles of Life and declare any revised interests to the Chief Executive. Joint Audit Committee members declarations of interests can be found on the Office of the Police and Crime Commissioner’s website <a href="http://www.northwales-pcc.gov.uk">www.northwales-pcc.gov.uk</a></p> <p>There are also no material interests or relationships of the Chief Officers or their direct families, which could influence or control the decision making, policies or financial transactions of North Wales Police/Police and Crime Commissioner. A robust process is also in place to approve and register the business interests of both police staff and officers.</p> <p>The Police and Crime Commissioner’s wife is a serving Councillor for Wrexham Council and is a member of the Planning Committee, Safeguarding and Wellbeing Scrutiny Committee, Corporate Land and Buildings Committee, Licensing Committee and Community Health Council.</p> <p>The Police and Crime Commissioner charges Denbighshire County Council, Abergele Town Council, North Wales Joint Branch Board, Tunnel and Network Services and Victim Support in respect of joint occupancy of buildings.</p> <p>The Chief Constable is a trustee of PACT (North Wales Police and Community Trust). The Force allocates funding from income received via the Police Property Fund Account in support of PACT projects whose objectives are to raise the</p>

	<p>Council, North Wales Joint Branch Board, Tunnel and Network Services and Victim Support in respect of joint occupancy of buildings.</p> <p>The Chief Constable is a trustee of PACT (North Wales Police and Community Trust). The Force allocates funding from income received via the Police Property Fund Account in support of PACT projects whose objectives are to raise the profile of community safety, significantly minimise the fear of crime and thus enhance the quality of life throughout North Wales.</p> <p>Dechrau Newydd: The Office of the Police and Crime Commissioner along with HMPPS began a new drug intervention contract on 1<sup>st</sup> April 2020. The service aims to engage substance using offenders and support them to reduce offending, improve health and social functioning, engage with multi agency support and make sustainable lifestyle changes.</p>	<p>profile of community safety, significantly minimise the fear of crime and thus enhance the quality of life throughout North Wales. For 2019-20 this equated to £50,000 donated from the fund to PACT and support in meeting the costs of the Fund administration.</p> <p>The Police and Crime Commissioner and Chief Constable participate in a Drug Intervention Programme which is a grant funded partnership with responsibility to reduce drug related offending and deaths through provision of support and services. The Partnership consists of officers from the Force, Community Safety Partnerships, Local Health Boards, North Wales Probation Service, North Wales Magistrates' Court, HM Prison Service, Jobcentre Plus and the Welsh Government.</p> <p>Dechrau Newydd: The Office of the Police and Crime Commissioner along with HMPPS have recently tendered for a new drug intervention contract. The service aim is to engage substance using offenders and support them to reduce offending, improve health and social functioning, engage with multi agency support and make sustainable lifestyle changes. The new contract commenced on 1<sup>st</sup> April 2020.</p>
<p>2. What controls are in place to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	<p>Declaration of interests at meetings</p> <p>Declaration of interests for staff and officers involved in procurement</p> <p>Register of interests</p> <p>Register of gifts and hospitality</p> <p>List of current and former partnerships is maintained by CIO</p>	<p>Declaration of interests at meetings</p> <p>Register of interests</p> <p>Register of gifts and hospitality</p> <p>List of current and former partnerships is maintained by CIO</p>

**Enquiries of those charged with governance – in relation to related parties**

Question	2020-21 Response	2019-20 Response
<p>1. How does the Authority, in its role as those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	<p>Declaration of interests at meetings                      Declaration of interests for staff and officers involved in procurement                      Register of interests                      Register of gifts and hospitality                      List of current and former partnerships is maintained by CIO</p>	<p>Declaration of interests at meetings                      Register of interests                      Register of gifts and hospitality                      List of current and former partnerships is maintained by CIO</p>



### Joint Audit Committee

Meeting Date: 4 August 2021

<b>Title:</b>	Joint Governance Board
<b>Author:</b>	Kate Jackson, Chief Finance Officer
<b>Purpose of the report:</b>	Update
<b>The report is provided to JAC for: (tick one)</b>	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Assurance <input checked="" type="checkbox"/> X Information
<b>Summary / Key Points:</b>	<ul style="list-style-type: none"><li>• Three members of JAC were in attendance.</li><li>• Final comments were received on the manual of governance, which was to be discussed at Strategic Executive Board on 2 August 2021.</li><li>• Discussion of the second draft of the Annual Governance Statement</li></ul>
<b>Recommendations:</b>	<ul style="list-style-type: none"><li>• For members of the Joint Audit Committee to note the work of the Joint Governance Board.</li><li>• For members of the Joint Audit Committee to be aware that they have a standing invitation to attend Joint Governance Board, and that meeting papers and minutes will be provided to them on request.</li></ul>
<b>Risk register impact:</b>	The way risk is managed is integral to good governance and is considered within the Governance Framework
<b>Assurance implications:</b>	The Joint Governance Board is to oversee changes to assurance arrangements following the Governance Review undertaken in 2019/20.  The Joint Governance Board is to oversee any future changes to the Manual of Governance.
<b>Equality Impact:</b>	None
<b>Information exempt from disclosure:</b>	None



## JOINT AUDIT COMMITTEE

4 August 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 two members attended on 17 June 2021, who all 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:
  - 26 August 2021 at 2pm
  - 28 October 2021 at 2pm

### 3. Work of the Joint Governance Board

- 3.1. At the meeting held on 17 June 2021, the following were discussed:
  - 3.1.1. Review the revised of the Manual of Governance before its approval by the PCC and Chief Constable
    - The Manual of Governance comprises four documents: the Code of Governance, the Scheme of Consent, the Financial Regulations, and the Standing Orders for Contracts.
    - It was noted that the Manual of Governance is a high-level policy setting out general principles; lower-level documents describe how these principles are to be put into practice.

- Each document was reviewed and revised by its respective owner, and then reviewed by the Assurance Board.
- Further comments were received at Joint Governance Board, these comments were considered for inclusion in the up to date Manual of Governance.
- The final documents are provided to Joint Audit Committee for assurance purposes, and are published on the website.

### 3.2.2 Governance Workstream/Assurance Update

The work to implement the recommendations from the policy threshold project continues; Senior Management Teams have been asked to complete this work by August 2021. A number of revised policies and guidance documents were published on the Force Policy Library.

It was reported that the refreshed risk appetite statement, having been approved by the Senior Leadership Team and Joint Audit Committee, has been incorporated into the Risk Management and Assurance Mapping framework.

A full review of Business Continuity Plans is underway, in order to capture lessons learned from the Covid-19 pandemic and to take into account agile working arrangements which are now in place. Work continues to formalise and implement testing schedules.

It was reported that assurance mapping would be prioritised on a risk basis going forward.

### 3.2.3 Draft Annual Governance Statement

A further draft of the Annual Governance Statement had been prepared for inclusion in the draft statement of accounts. The Chair of the Joint Audit Committee provided further feedback, which will be incorporated in the final Annual Governance Statement, which will be published in October 2021.

### 3.2.4 Review Internal Audit Recommendations

TIAA completed 6 audits since the previous Joint Governance Board meeting, and draft reports had been prepared. A further two audits had been booked in

3.2.5 The Board noted that a draft introduction to the accounts had been prepared. It was noted that in future a summary of the accounts may be a requirement.

3.2.6 Members requested that papers be distributed two weeks in advance of the meeting if possible, and that the documents be available as a single PDF (without attachments).

3.3 The next meeting will take place on 26 August 2021.

#### 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

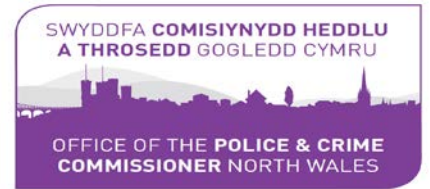
Chief Finance Officer, OPCC





**HEDDLU GOGLEDD CYMRU**  
Gogledd Cymru diogelach

**NORTH WALES POLICE**  
A safer North Wales



# Annual Report of the Joint Audit Committee 2020 / 21

## **Annual Report of the Joint Audit Committee – 2020 / 21**

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- 11. 2021/22 Forward Plan and Meeting Dates**

## Annual Report of the Joint Audit Committee - 2020/21

### Statement from Chair

As Committee Chair, I am pleased to present the Annual Report of the Joint Audit Committee ('the Committee'; 'the JAC') which covers activities for the period 1st April 2020 to 31st March 2021.

The JAC members who served for the year under review were:-

Name
Rachel Barber
John Cunliffe
Claire Hodson
Dianne Walker

Dianne Walker and Claire Hodson gave notice in June 2020 of their intention to stand down from the JAC on 31 March 2021, after 3 years' service. I thank them and all of the committee members for their strong contribution and dedication throughout the year. A recruitment and selection process was then followed, I therefore, also welcome three new members of the JAC from 1<sup>st</sup> April 2021.

The JAC's remit involves monitoring governance, controls assurance and risk management arrangements and for overseeing the production and approval of year-end financial reports and accounts for the North Wales Police ('NWP') and the Office of the Police & Crime Commissioner ('OPCC'). In 2020/21 the impact of Covid-19, necessitated a different approach to addressing the responsibilities of the Committee and all of the related parties that assist in providing assurance both to the OPCC, the Force and the JAC. Each party rose to this challenge in order to deliver effectively and efficiently the objectives set prior to the pandemic for which I am sincerely thankful for.

During the year the JAC received reports from the internal auditors ('TIAA') on their agreed programme of inspection and reviewed progress on actions identified in their reports. During 2020/21, there were no significant issues raised by the Committee to the OPCC or NWP Chief Constable ('NWCC').

As well as relying on the reports of the external auditors, Audit Wales, (AW) on the year end annual report and accounts for 19/20, the Committee considered all year-end documentation received from the Chief Financial Officer of the PCC and the Director of Finance & Operations of the North Wales Police ('the Finance Officers'); the Finance Officers in place for the financial year were:-

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

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

- A review of the annual financial statements, focusing particularly on accounting policies and practices including placing an emphasis on the understandability of the narrative report and Annual Governance Statement, and significant adjustments resulting from audit for the 19/20 annual report
- Receiving assurance on treasury management strategy
- Receiving assurance on the process undertaken for the development of the annual report and the annual governance statement and progress against the action plan
- Reviewing the approach to risk management and delivery of the improvements to the approach to risk management
- Reviewing the delivery of the action plan and outcomes of the Governance project to achieve effective, efficient and robust governance arrangements and structures.
- Reviewing and receiving assurance on the approach to value for money and how this is embedded within decision making and strategic action.
- Receiving assurance on the status of readiness to meet the requirements of the new CIPFA Financial Management Code
- Deep dives into the ICT Sourcing Strategy, Command and Control upgrade, the response to Covid – 19 and Cyber Security Arrangements
- Delivering against the JAC Evaluation action plan, specifically value for money.

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

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

**April 2021**

## 1. Overview

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

**Appendix 1** sets out the Committee's Terms of Reference. The Committee Membership consists of external, independent members. During the year the Force and OPCC reviewed the JAC terms of reference at its Joint Governance Board in Feb 21, with minor proposed amendments to these terms of reference currently pending final approval at the appropriate Force and OPCC forum. In the interim the Terms of Reference attached to this report remain in effect.

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

The JAC is responsible for independently reviewing the systems of governance, control, risk management and assurance. The activity of the Committee covers the whole of the organisation's governance agenda, and not just finance. The Committee also has a duty to monitor the integrity of the financial statements and related reporting.

During 2020-21 The Committee met virtually on four occasions in accordance with its planned schedule:-

- 30 July 2020
- 5<sup>th</sup> October 2020
- 10<sup>th</sup> December 2020
- 30<sup>th</sup> March 2021

As well as the scheduled meetings where members are in attendance, virtually, accept for extenuating circumstances, an additional meeting was held to provide more detailed feedback on the annual report and accounts before final sign off. There was also an annual all Wales JAC training day held virtually in the year.

Agendas, minutes and papers were made available to the public prior to all the scheduled meetings.

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

The Committee Members may meet with the External and Internal auditors outside of the formal

meeting schedule and an arrangement has been put in place for the Joint Audit Committee to meet with the auditors prior to each meeting without management or officers present.

### 2. Work of the Committee during 2020/21

Throughout 2020/21, the Committee reported on the nature and outcomes of its work to the Chief Constable and the Police & Crime Commissioner highlighting any areas that should be brought to their attention.

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

- Oversight of the delivery of the action plan from the Governance Review
- Further development of the Risk Assurance processes including the Risk Appetite Statement and risk deep dives
- The approach to assuring value for money
- Responsiveness to Covid 19
- Involvement in the development of the internal audit programme, including collaborative audits
- A review of effectiveness of both the internal and external auditors.

**Appendix 3** sets out the programme of work in relation to the Internal Audit Plan undertaken in 2020/21 and the outcome of these audits, together with the planned schedule of audit for each of the years to March 2024.

A performance self-evaluation review was undertaken at the end of the JAC's first year between March and May 2019 and again in March 2020. An action plan was constructed and delivered during 2020/21. Once again an evaluation was undertaken in early 2021 with three areas identified to enhance its contribution, an action plan will be identified with the Finance Officers early in 2021/22.

### 3. Internal Audit

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

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

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

The Committee continued to have oversight and input into the development of the annual internal audit programme. The Committee and other stakeholders, during 20/21, have suggested amendments to the programme which have been incorporated. Two audits were postponed during the 19/20, with the agreement of the JAC the unused days were carried forward to 2020/21 and utilised to deliver the programme.

In March 2020 the Committee reviewed and approved the 2020/21 internal audit strategy and annual internal audit plan. For the first quarter of 20/21, due to the restrictions the coronavirus placed on operating practises limited internal audit activity took place. The JAC reviewed the internal audit plan and agreed the changes reflected in the plan for delivery in the remainder of the year. The plan was delivered in a timely manner. Unused days will be carried forward to 21/22. In addition full traceability and assurance is provided to the JAC for all client briefing notes providing transparency of action taken by the Force of OPCC.

#### 4. External Audit

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

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

The external auditors provided their updated view on their risk based audit approach and their key areas of focus in the year-end audit via a technical update and planning report, enabling the Committee to ask questions and seek advice as necessary. The key risks identified that might impact the financial statements in 2019/20 included Management Override of controls, McCloud Judgement and impact on pensions and IFRS16 leases, post implementation risks.

The JAC has reviewed the work of External Audit and is satisfied that the external audit service is of a sufficiently high standard and that fees are appropriate and reasonable. The external audit fee for 2020/21 was £83,866 plus VAT.

At the December meeting the JAC reviewed the request from AW to change their approach to audit through the utilisation of data analytics, whilst undertaking a consultation on future audit charges. The JAC requested further information and assurance. A briefing note was provided through presentation of slides at the March meeting. The Committee reviewed and approved the AW 2021/22 annual plan. The external audit fee will be £83,699, a slight reduction on prior year. As the JAC prepares for the work of the AW during 2021/22 the Welsh Audit identified the key risks as follows: Risk of Management Override, Impact of Covid 19 and the McCloud Judgement.

## 5. Areas of Focus

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

Name	Focus Area
Claire Hodson	Governance
Rachel Barber	Chair
John Cunliffe	IT Systems & Cyber Security & Risk
Dianne Walker, FCA	Financial reporting

## 6. Governance

The initial draft of the annual governance statement in respect of 2019-20 was received and discussed by the JAC at its meeting on 9 March 2020. Members of the JAC and Internal Audit commented on this draft in time for any amendments to be incorporated before its presentation to the JAC at its meeting on 30 July 2020. The completed and final annual governance statement was received by the JAC at its meeting on 5<sup>th</sup> October 2020. The initial draft of the annual governance statement in respect of 2020/21 Statutory Accounts was received and discussed at the meeting on 30th March 2021.

The Joint Governance Board met routinely during 2020- 2021, following its reinstatement in March 2020. Its purpose is to consider the overall joint governance framework and to ensure that the PCC and the CC fulfil their corporate governance responsibilities. The board membership comprises senior officers of both the OPCC and the Force and the Head of Internal Audit. Members of the JAC have attended some meetings of the board. The Chief Finance Officer reports to every JAC meeting on the work of the board. A number of recommendations identified during the Governance Review of 2019/20, in developing and updating governance, were monitored by the Committee during 2020/21. These were substantially completed by March 21. A review of the effectiveness of the governance structure will be undertaken in 2021 and reported through to the Joint Governance Board and subsequently information provided to JAC.

## 7. Risk Management & Controls

A member of the JAC has been nominated to liaise with the Risk Manager ahead of each meeting to discuss in detail the risk management process and risk activity. Members of the JAC have access to all the OPCC and Force risk registers before their formal meetings.

The JAC concentrates on the combined strategic risk register and seeks reassurance that it is reasonable, comprehensive and dynamic. It also checks that residual risk is in line with both organisations’ appetites for risk. At every JAC meeting members receive and review the risk management update on the organisational risk management process. The reporting has been enhanced during the year to provide succinct and more transparency to the work the Force undertakes in this area.



In order to deliver improvements, it was agreed with JAC; to build on the risk framework, ensure resources are appropriately considered and embed the approach to risk management further into the culture of the organisation. This has been monitored by the risk lead and Committee during 2020/21 and the Committee are more assured on how the Force manages risk and has embedded the approach into the organisation. In this exceptional year, managing the organisation during COVID, the force created and reported on a separate risk register for COVID whilst managing the 'normal' risk register. The risk assurance framework was delayed in rollout across the organisation, due to Covid, but has progressed. The JAC encouraged the Force to introduce formal risk appetite in 19/20. This has been reviewed and developed in 20/21 with JAC and its members providing input and scrutiny to the approach adopted.

Deep Dives have been undertaken during the year in four areas: Command and Control and ICT Sourcing strategy, Covid 19 response and Cyber Security.

### 8. Value for Money (VFM)

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

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

### 9. Financial Reporting

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

Examples of specific activity that the JAC has undertaken to facilitate an informed identification, review and assessment of significant issues in relation to the 2019/20 Statutory Accounts include the following:

- Receiving briefings from the Finance Officers of the PCC and the Chief Constable who are required to bring to the attention of the Committee, on an ongoing basis, any changes to accounting policy, significant financial reporting issues, estimates and judgements, and significant transactions, ensuring the annual accounts have been prepared in accordance with accounting policies;
- the Committee reviewed the integrity of the Financial Statements prior to approval by the Police and Crime Commissioner and the Chief Constable and compliance with accounting policy and any significant adjustments;
- the Committee received reports from the Chief Finance Officers detailing breaches and waivers of the procurement process and assurance on compliance with losses and special

- payments processes;
- the Committee received and reviewed the draft Annual Report and Financial Statements in preparation for their signature, in October 2020.
- the Committee reviewed the Annual Report (including the Annual Governance Statement), Annual Financial Statements and Accounts to provide a consistency and reasonableness check;
- the Finance Officers presented to the Committee detailed papers on the annual accounts process during the year-end reporting period;
- the Committee considered the external auditor's ISA260 report and unmodified audit opinion. No differences of opinion with the key management judgements were highlighted;
- the Committee considered TIAA's opinion in relation to the overall adequacy and effectiveness of the organisation's risk management, control and governance processes, which provided overall Substantial Assurance.
- The Committee raised slippage in capital expenditure and delivery of projects to the management who ensured that the narrative report was suitably reflective of this slippage.
- The Committee made recommendations on the presentation of the report to improve understandability. Further improvements will be made for the 20/21 report.

From its work the JAC was able to conclude that:

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

At the March 2021 meeting the Committee received assurance of the progress and compliance with the CIPFA Financial Management Code. The year for compliance is 21/22. The Committee will receive reports during 21/22 providing further assurance.

### **10. Raising Concerns**

The Force aims to create an environment where staff feels it is safe to raise and discuss concerns and weaknesses openly so that the appropriate responding action plans can be established and monitored through to implementation. During 2020/21, the JAC received assurance against the system for raising concerns as part of its schedule of business. This will continue into 2021/22.

### **11. 2021/22 Forward Plan and Meeting dates**

During 2021/22 the JAC will deliver upon its Terms of reference and more specifically:

- Track and review the final actions from the Governance review action plan and support further improvement
- Shine a spotlight on the work of the ethics committee and develop the work of the Committee to support this area
- Seek assurance of compliance with the Financial Management Code and guide further

improvements in financial presentation to aid understanding

- Continue to review how value for money is achieved.
- Support management to develop its approach to risk and embedding this into the organisation.
- Pursue assurance on the effectiveness of its Governance Structure
- Deliver the action plan derived from its annual self-evaluation effectiveness review

The JAC has four meetings planned during 2021-22 financial year:-

- 4<sup>th</sup> August 2021
- 6<sup>th</sup> October 2021
- 8<sup>th</sup> December 2021
- 28<sup>th</sup> March 2022

## Appendix 1 – Terms of Reference

### Terms of Reference of the Joint Audit Committee

#### 1. Statement of purpose

- 1.1 The Joint Audit Committee is a key component of the corporate Governance of the Police and Crime Commissioner (PCC) and Chief Constable (CC) for North Wales. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- 1.2 The purpose of the Joint Audit Committee is to provide independent advice and recommendation to the PCC and CC on the adequacy of the governance and risk management frameworks, the internal control environment, and financial reporting, thereby helping to ensure efficient and effective assurance arrangements are in place. To this end the Committee is enabled and required to have oversight of, and to provide independent review of, the effectiveness of the Office of the Police and Crime Commissioner's (OPCC) and Force's governance, risk management and control frameworks, the financial reporting and annual governance process, and internal and external audit.
- 1.3 These terms of reference summarise the core functions of the Committee in relation to the OPCC and to the Force and describe the protocols in place to enable it to operate independently, robustly and effectively.

#### 2. Governance, risk and control

- 2.1 The Committee will provide advice and recommendations to the PCC and CC in relation to the following areas:
  - 2.1.1 Review the corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.
  - 2.1.2 Review the annual corporate governance statements prior to approval and consider whether they properly reflect the governance, risk and control environment and supporting assurances and identify any actions required for improvement.
  - 2.1.3 Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
  - 2.1.4 Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPCC and Force.
  - 2.1.5 Monitor the effective development and operation of risk management, review the risk profile, and monitor the progress of the PCC and CC in addressing risk-related issues reported to them (individual Force operational risks are specifically excluded from the remit of the Joint Audit Committee).
  - 2.1.6 Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
  - 2.1.7 Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter fraud strategy, actions and resources.
  - 2.1.8 To review the governance and assurance arrangements for significant partnerships or collaborations.
  - 2.1.9 The PCC nominate the Joint Audit Committee to be responsible for ensuring

effective scrutiny of the Treasury Management Strategy and Policies.

### **3. Internal Audit**

- 3.1 The Committee will provide advice and guidance to the PCC and CC in relation to the following areas:
  - 3.1.1 Annually review the internal audit charter and resources.
  - 3.1.2 Review the internal audit plan and any proposed revisions to the internal audit plan.
  - 3.1.3 Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence.
  - 3.1.4 Consider the head of internal audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements.
  - 3.1.5 To consider the head of internal audit's statement of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.
  - 3.1.6 Consider summaries of internal audit reports and such detailed reports and the Committee may request from the PCC and Cc, including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions.
  - 3.1.7 Consider a report on the effectiveness of internal audit to support the Annual Governance Statement as required by the Accounts and Audit Regulations (Wales) 2014.
  - 3.1.8 To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To make recommendations on safeguards to limit such impairments and periodically review their operation.

### **4. External audit**

- 4.1 The Committee will provide advice and recommendations to the PCC and CC in relation to the following areas:
  - 4.1.1 Support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by the Auditor General or Wales Audit Office.
  - 4.1.2 Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.
  - 4.1.3 Consider the external auditor's annual management letter, relevant reports and the report to those charged with governance.
  - 4.1.4 Consider specific reports as agreed with the external auditor.
  - 4.1.5 Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

### **5. Financial Reporting**

- 5.1 The Committee will provide advice and recommendations to the PCC and CC in relation to the following areas:
  - 5.1.1 Review the annual statements of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the PCC or CC.

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

## **6. Accountability arrangements**

### 6.1 The Committee will:

- 6.1.1 On a timely basis report to the PCC and CC with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.
- 6.1.2 Report to the PCC and CC on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.
- 6.1.3 Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the PCC and CC.
- 6.1.4 Publish an annual report of the work of the Committee.

## **7. General**

- 7.1 The Committee will comprise five independent members, who are independent of both the OPCC and Force.
- 7.2 The quorum for the Committee will be at least three independent members.
- 7.3 The committee will meet at least four times each year. Additional meetings may be arranged by exception to discuss matters of urgent concern.

Appendix 2 – Officers Invited to Joint Audit Committee

<b>FORCE OFFICERS:</b>	
Seb Phillips	Director of Finance and Resources
Guto Edwards	Head of Finance
Helen Williams	Financial Control Accountant
T/Chief Super Sian Beck	Corporate Services
Anne Matthews	Finance and Budgets Officer
Philip Kenyon	Force Solicitor
<b>OFFICE OF THE POLICE AND CRIME COMMISSIONER:</b>	
Stephen Hughes	Chief Executive Officer
Kate Jackson	Chief Finance Officer
Angharad Jones	PA to the Chief Executive
<b>By Invitation</b>	
Derwyn Owen	Audit Wales
Michelle Phoenix	Audit Wales
Helen Cargill	TIAA

## Annual Report of the Joint Audit Committee – 2020/ 21

### Appendix C: Progress against work plan 2020-2021

System	Planned Quarter	Current Status	Comments
<b>Collaborative – Pan Wales</b>			
Risk Management – Mitigating Controls	2	Final report issued 7 <sup>th</sup> January 2021	Presented to March 2021 JAC
Vetting of Contractors	2	Final report issued 4 <sup>th</sup> September 2020	Presented to October 2020 JAC
Collaborative Project Review – Office 365 (part of National Enabling programme)	2	Final report issued 17 <sup>th</sup> February 2021	Presented to March 2021 JAC
Collaborative Budgetary Control	3	Draft report issued 22 <sup>nd</sup> December 2020	Lead force = South Wales
Procurement	3	Draft report issued 14 <sup>th</sup> January 2021	It was agreed that North Wales will be considered separately from the collaborative audit which is focusing on the Joint Procurement Unit that is being established in South Wales.
Strategic Resource Planning	3	Planned start 1 <sup>st</sup> March 2021	Fieldwork ongoing
Collaborative Project Review – Early Action Together (Adverse Childhood Experiences ACES Project)	4	Cancelled	North Wales Police have decided not to participate in this review as the project is no longer funded. An alternative option – Cyber Security of Pensions has been suggested.
Liaison with Audit Wales	1-4		Attendance at Police Practitioner Group meetings
<b>North Wales Only</b>			
Governance – Collaborations	1	Cancelled	Cancelled at the request of Management
Counter Fraud – Anti-Fraud Procurement	1	Final report issued 13 <sup>th</sup> November 2020	Presented to December 2020 JAC
Organisational Development	1	Final report issued 6 <sup>th</sup> November 2020	Presented to December 2020 JAC
Pensions	2	Final report issued 10 <sup>th</sup> November 2020	Presented to December 2020 JAC
Expenses and additional payments	2	Final report issued 11 <sup>th</sup> November 2020	Presented to December 2020 JAC
Infrastructure Review	2	Planned for 1 <sup>st</sup> December 2020	Fieldwork ongoing



## Annual Report of the Joint Audit Committee – 2020/ 21

System	Planned Quarter	Current Status	Comments
Data Assurance	2	Final report issued 10 <sup>th</sup> December 2020	Presented to March 2021 JAC
Contract Management	2	Cancelled	Cancelled at the request of Management
Eastern Area – Command Unit	2 4	Site worked commenced 15 <sup>th</sup> February 2021	Fieldwork ongoing
Property Subject to Charge	2	Planned for the end of April 2021	Deferred due to Covid-19 pandemic
Treasury Management	3	Final report issued 24 <sup>th</sup> August 2020	Presented to December 2020 JAC
General Ledger	3	Final report issued 4 <sup>th</sup> November 2020	Presented to December 2020 JAC
Payroll	3	Final report issued 13 <sup>th</sup> November 2020	Presented to December 2020 JAC
Creditors	3	Final report issued 11 <sup>th</sup> February 2021	Presented to March 2021 JAC
Fleet Management – Fuel Usage	3	Final report issued 18 <sup>th</sup> February 2021	Presented to March 2021 JAC
Fleet Management Strategy	4	Deferred to 2021-22	
Fleet Management - Repairs	4	Planned for 8 <sup>th</sup> March 2021	Days to be utilised from cancelled audits
Procurement	4	Planned for 24 <sup>th</sup> March 2021	
ICT Change Management	4	Planned for 11 <sup>th</sup> January 2021	APM issued
Collaborative approach	1-4	See above	
Follow-up	4	Final report issued 2 <sup>nd</sup> March 2021	Presented to March 2021 JAC
Contingency	1-4		
Annual Planning	1		
Annual Report	4		
Management	1-4		

**KEY:**

	To be commenced		Site work commenced		Draft report issued		Final report issued
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# Annual Report of the Joint Audit Committee – 2020/ 21

## Rolling Strategic Plan

Review Area	Type	2021/22	2022/23	2023/24
<b>Governance and Risk Management</b>				
Strategic Planning	Assurance	10		
Performance Management	Assurance	10		
Health and Safety Management	Assurance	10		
Corporate Communications	Assurance		10	
Community Engagement	Assurance		10	
Collaborations	Assurance			10
Strategic Resource Planning	Assurance			10
Risk Management Mitigating Controls	Compliance	6	6	6
<b>ICT reviews</b>				
Network Security	Assurance	8		
Data Protection	Assurance	6		
Cyber Security	Assurance		8	
Pensions – Cyber Security	Assurance	5		
Change Management	Assurance		8	8
Infrastructure Review	Assurance			8
Data Assurance	Assurance			8
<b>Finance</b>				
Budgetary Control	Assurance	*	6	6
General Ledger	Assurance	*	6	6
Payroll	Assurance	*	10	10
Creditors	Assurance	*		6
Debtors	Assurance	*		

## Annual Report of the Joint Audit Committee – 2020/ 21

Review Area	Type	2021/22	2022/23	2023/24
Pensions - All Wales Pension Board	Assurance	*		
Pensions	Assurance		8	
Expenses and Additional Payments	Assurance		8	
Treasury Management	Assurance	*	4	4
Fixed Assets	Assurance	6		
Capital Programme	Assurance	8	8	
Counter-Fraud	Compliance	*	6	6
<b>Estates and Fleet</b>				
Fleet Management - Fleet Strategy	Assurance	6		
Fleet Management - Repairs	Compliance			5
Fleet Management - Fuel	Compliance		6	
Estates Management - Delivery	Compliance		6	
Estates Management - Strategy	Assurance			6
<b>Operational</b>				
Central Area – Command Unit	Compliance		8	
Western Area – Command Unit	Compliance	8		
Eastern Area – Command Unit	Compliance			8
Contract Management	Assurance	6	6	6
Property Subject to Charge	Compliance		6	
Vetting	Compliance		6	
Commissioner’s Grants	Assurance	6		
Procurement	Assurance			8
<b>Workforce Management</b>				
HR Management – Strategy	Assurance	10		

## Annual Report of the Joint Audit Committee – 2020/ 21

Review Area	Type	2021/22	2022/23	2023/24
Wellbeing and Strategy	Assurance		10	
Organisational Development	Assurance			7
Occupational Health Unit	Assurance	5		
<b>Collaborative Reviews</b>				
Budgetary Control	Assurance	5	*	*
General Ledger	Assurance	5		
Payroll	Assurance	6		
Creditors	Assurance	5		
Debtors	Assurance	5		
Counter-Fraud	Compliance	5		
Treasury Management	Assurance	4		
All Wales Pension Hub	Assurance	5		
Safety Camera Partnership	Assurance	5		
Automatic Number Plate Recognition	Assurance	5		
Agile Working	Assurance	5		
<b>Management and Planning</b>				
Liaison with Audit Wales	Management	2	2	2
Follow Up	Follow Up	6	6	6
Contingency	-	-		18
Annual Planning	-	4	4	4
Annual Report	-	4	4	4
Audit Management	-	18	18	18
Total Days		<b>199</b>	<b>180</b>	<b>180</b>

\*Indicates suggested collaborative reviews

## Annual Report of the Joint Audit Committee - 2020/21

### Annual Plan – 2021/22

Quarter	Review	Type	Days	Review
1	Health and Safety Management	Assurance	10	<p><u>Risk</u> Health and Safety risk</p> <p><u>Rationale</u> High risk area.</p> <p><u>Scope</u> The review appraises: the adequacy of the arrangements for managing the health and safety requirements of the organisation. The scope of the review does not include: carrying out or providing an opinion on the adequacy of the arrangements that are in place for meeting the legislative requirements.</p>
1	ICT – Network Security	Assurance	8	<p><u>Rationale</u> High risk area – cyclical coverage</p> <p><u>Scope</u> The review considers the arrangements for the physical and access security of hardware and software. The scope of the review does not include consideration of the merits of the types of hardware and software used, the access rights to the individual software; or the depreciation policies.</p>
1	Western Area – Command Unit	Compliance	8	<p><u>Rationale</u> Key risk area, included in the plan on a cyclical basis.</p> <p><u>Scope</u> The review assesses compliance with the key corporate procedures for Financial, HR, Duty of Care and Service Delivery.</p>

## Annual Report of the Joint Audit Committee – 2020/ 21

Quarter	Review	Type	Days	Review
1	Pensions – Cyber Security*	Assurance	5	<p><u>Rationale</u></p> <p>Risks highlighted by the National Police Chiefs’ Council to ensure systems integrity and also to ensure that any reputational risk of police systems being vulnerable to cyber-attack is minimised.</p> <p><u>Scope</u></p> <p>The review will consider the cyber security risk and management practices and seek assurance from the pension administrator that:</p> <ul style="list-style-type: none"> <li>• Systems controls are in place and regularly tested / updated to address any threat or risk</li> <li>• System integrity is maintained through the use of controls, passwords and security software, which are regularly tested / updated</li> <li>• The minimum amount of personal data is held on individuals, consistent with the efficient operation of the Scheme.</li> <li>• There is awareness among the workforce of cyber risk and arrangements are available for reporting attempted attacks or unsolicited contact on pensions issues</li> <li>• That appropriate plans are in place to deal with any cyber-attack and the consequences of such an attack, such as disaster recovery procedures and communication plans.</li> </ul>
2	Commissioner’s Grants	Assurance	6	<p><u>Rationale</u></p> <p>Large grant programme with grants issued by the Commissioner, reviewed on a three yearly basis.</p> <p><u>Scope</u></p> <p>The review will consider the arrangements for the assessing, awarding and compliance monitoring process for Commissioner’s Grants.</p>
2 September 2021	Performance Management	Assurance	10	<p><u>Rationale</u></p> <p>Key Governance Area - Reviewed cyclically</p> <p><u>Scope</u></p> <p>The review will consider the arrangements for providing assurance through the demand management and performance management frameworks that are used to measure the Force’s effectiveness. The scope of the review did not include consideration of the accuracy or completeness of all reports presented to the Board or the appropriateness of all decisions taken.</p>

## Annual Report of the Joint Audit Committee – 2020/ 21

Quarter	Review	Type	Days	Review
2 September 2021	ICT – Data Protection	Assurance	6	<p><u>Rationale</u></p> <p>Risk of significant fine for non-compliance</p> <p><u>Scope</u></p> <p>The review assessed compliance with the key data protection elements of:</p> <ul style="list-style-type: none"> <li>• Privacy Impact Assessments</li> <li>• Data Subject rights (e.g. Right to be forgotten)</li> <li>• Data Classification and Asset management</li> <li>• Data Security &amp; Breach Management</li> <li>• Governance &amp; Consent</li> <li>• Data Controllers &amp; Processors.</li> </ul>
2 September 2021	Capital Programme	Appraisal	8	<p><u>Rationale</u></p> <p>Key financial risk area completed bi-annually.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for accounting for the general capital programme. The scope of the review does not include consideration of the funding arrangements or the specification of the projects.</p>
1	Fleet Management – Fleet Strategy	Assurance	6	<p><u>Rationale</u></p> <p>Cyclical review of Fleet Management arrangements</p> <p><u>Scope</u></p> <p>The review considers the effectiveness of the arrangement for the management and replacement of the fleet of vehicles used by the Force and the Police and Crime Commissioner’s Office.</p>
3	Risk Management – Mitigating Controls	Compliance	6	<p><u>Rationale</u></p> <p>Rolling review of Risk Management arrangements.</p> <p><u>Scope</u></p> <p>The review will consider as an overview the effectiveness of the reporting mechanisms for corporate risks. To test the arrangements in place two risks which are included in the organisation’s risk register will be selected and the effectiveness of the identified controls will be reviewed. The scope of the review does not include consideration of all potential mitigating arrangements or their effectiveness in minimising the opportunities for the identified risks to occur.</p>

## Annual Report of the Joint Audit Committee – 2020/ 21

Quarter	Review	Type	Days	Review
3	Contract Management	Assurance	6	<p><u>Rationale</u> Key risk area, a contract management review is included in each year of the plan.</p> <p><u>Scope</u> The review will consider the effectiveness of the Project and Programme management arrangements in relation to a selected contract. This should include consideration of financial viability, quality and monitoring of delivery. The nominated contract is the XPS Pensions Contract.</p>
3	Fixed Assets	Assurance	6	<p><u>Rationale</u> Key financial risk area completed annually.</p> <p><u>Scope</u> The review considered the identification of assets that need to be recorded in the asset register, the identification, locating and recording of assets, inventories and the disposal of assets. The review also included consideration of departmental asset registers and the processes for reconciling these back to finance asset registers. The scope of the review did not include consideration of the purchasing, depreciation policies or insurance arrangements.</p>
3	HR Management – HR Strategy	Assurance	10	<p><u>Rationale</u> Workforce risk area.</p> <p><u>Scope</u> The review will consider the arrangements in place to assess the organisation’s needs and align these with the Police and Crime Commissioner’s Policing Plan including recruitment, training and development and performance management arrangements.</p>
4	Occupational Health Unit	Assurance	5	<p><u>Rationale</u> <u>Subject to an advisory review in 2020/21. Transformation project being undertaken.</u></p> <p><u>Scope</u> The review will consider the arrangements the Force has in place to follow best practice as set out within with the Foundation Occupational Health Standards for Police Forces, including the follow up of recommendations raised in the 2020/21 audit review of this area.</p>
4	Strategic Planning	Assurance	10	<p><u>Rationale</u> Key Governance Area -Cyclical review</p> <p><u>Scope</u> The review will consider the arrangements in place to develop the Police and Crime Commissioners Police and Crime Plan and the Force’s Delivery Plan.</p>



## Annual Report of the Joint Audit Committee – 2020/ 21

Quarter	Review	Type	Days	Review
4	Follow-up	Follow up	6	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the organisation is implementing recommendations, and providing reports to the Joint Audit Committee.
1-4	Collaborative	Various	55	Details of the audits are provided in Appendix D
1-4	Liaison with Audit Wales	Management	2	This time is for liaison with Audit Wales as External Auditor.
1	Annual Planning	Management	4	Assessing the organisation's annual audit needs.
4	Annual Report	Planning/Reporting	4	Reporting on the overall conclusions and opinion based on the year's audits and other information and providing input to the Annual Governance Statement.
1-4	Audit Management	Planning/Reporting	18	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Joint Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
<b>Total days</b>			<b>199</b>	

## Annual Report of the Joint Audit Committee – 2020/ 21

### Collaborative Annual Plan – 2021-22

Quarter	Review	Type	Days	Review
1	Counter Fraud (Anti-Fraud Procurement)	Compliance	5	<p><u>Rationale</u> A review to test areas of exposure to fraud has been included in each year of the plan.</p> <p><u>Scope</u> The review tests for potential significant fraud exposures due to non-compliance with the organisation’s procurement arrangements and/or inadequate or ineffective segregation of duties. The scope of the review does not include identification of all potential fraudulent transactions. Lead Force: North Wales Police</p>
2	Pensions – All Wales Pension Board*	Assurance	5	<p><u>Rationale</u> This has been suggested as a four forces collaborative review.</p> <p><u>Scope</u> A new All Wales Pension Board is being implemented with a Police Pension Hub. The scope of this review would consider the effectiveness of the arrangements. Lead Force: Dyfed Powys Police</p>
2	Safety Camera Partnership	Assurance	5	<p><u>Rationale</u> Requested by the four forces</p> <p><u>Scope</u> The review considers the governance arrangements in place across the four forces to manage the Safety Camera Partnership. Consideration will also be given to benchmarking the costs incurred in providing staff, vans and accommodation for the delivery of the arrangement, the income received and the process for recharges. Lead Force: Dyfed Powys Police</p>
2	Automatic Number Plate Recognition (ANPR)	Assurance	5	<p><u>Rationale</u> Requested by the four forces</p> <p><u>Scope</u> The review will consider the contractual arrangements in place for the delivery of ANPR noting that Dyfed-Powys Police use their own system and so the longer term replacement strategy will be considered. The review will consider the financial costs, contract management, how the arrangements tie in with the National Enabling Project and the compliance with ANPR standards, specifically training, security and audit arrangements. The review will also consider what use is made of the data obtained. Lead Force: Dyfed Powys Police</p>

## Annual Report of the Joint Audit Committee – 2020/ 21

Quarter	Review	Type	Days	Review
2	Agile Working	Assurance	5	<p><b><u>Rationale</u></b></p> <p>Requested by four forces</p> <p><b><u>Scope</u></b></p> <p>The review will consider the policies and procedures in place for agile working; the technology used to support these arrangements; the efficient use of space; the availability of staff for key meetings and on-site requirements and how management has oversight of who will be where and when and the arrangements to ensure continued productivity.</p> <p>Lead Force: North Wales Police</p>
3	Budgetary Control	Assurance	5	<p><b><u>Rationale</u></b></p> <p>Key financial risk area completed annually.</p> <p><b><u>Scope</u></b></p> <p>The review considers the budget preparation process, the monitoring arrangements, and reporting to the board.</p> <p>The scope of the review does not include consideration of the assumptions used in preparing the budgets; depreciation policies; apportionment of central costs; or financial information included in tenders prepared by the organisation.</p> <p>Lead Force: North Wales Police</p>
3	General Ledger	Assurance	5	<p><b><u>Rationale</u></b></p> <p>Key financial risk area completed annually.</p> <p><b><u>Scope</u></b></p> <p>The review considers the arrangements for providing an effective audit trail for data entered onto the general ledger and the appropriateness of the reports generated. The scope of the review does not extend to the budgetary control arrangements and bank reconciliations.</p> <p>Lead Force: Gwent Police</p>

## Annual Report of the Joint Audit Committee – 2020/ 21

Quarter	Review	Type	Days	Review
3	Payroll	Assurance	6	<p><u>Rationale</u></p> <p>Key financial risk area completed annually.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for: the creation, amendment and deletion of payroll records; payment of allowances and pay awards; and payment of salaries, payroll overpayments (including number and size of overpayments), why they occur, and whether the system needs to be amended to prevent these. In addition the scope will consider those areas where forces can recover costs from officers/staff e.g. investment in professional training, expenses to ensure that these are recovered on a timely basis. The scope of the review does not include determination of salary scales, appointment and removal of staff, severance payments or reimbursement of travel and subsistence expenses, or pension arrangements.</p> <p>Lead Force: South Wales Police</p>
3	Creditors	Assurance	5	<p><u>Rationale</u></p> <p>Key financial risk area completed annually.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for authorising and paying costs incurred by the organisation and the arrangement for control of the organisation's cheques and automated payments. The scope does not include providing an assurance that the expenditure was necessary or that value for money was achieved from the expenditure committed.</p> <p>Lead Force: South Wales Police</p>
3 October 2021	Debtors	Assurance	5	<p><u>Rationale</u></p> <p>Key financial risk area completed annually.</p> <p><u>Scope</u></p> <p>The review considers the raising of debtor accounts, collection of income, receipting, storage and banking of income received by the organisation. The scope of the review does not include identification of the activities giving rise to income for the organisation, the basis of calculating the rates to be charged or that all income receivable has been identified.</p> <p>Lead Force: Gwent Police</p>

## Annual Report of the Joint Audit Committee – 2020/ 21

Quarter	Review	Type	Days	Review
3	Treasury Management	Assurance	4	<p><b><u>Rationale</u></b></p> <p>Key Audit risk area, completed every three years.</p> <p><b><u>Scope</u></b></p> <p>The review considers the arrangements for controlling the investment and borrowing arrangements; compliance with the organisation’s overall policy; banking arrangements; reconciliations and the reporting to committee. The scope of the review does not include consideration of the appropriateness of any individual financial institution or broker or of individual investment decisions made by the organisation.</p> <p>Lead Force: South Wales Police</p>
<b>Total days</b>			<b>55</b>	



**Joint Audit Committee**

**Meeting Date: 4 August 2021**

<b>Title:</b>	JAC Terms of Reference
<b>Author:</b>	Kate Jackson, Chief Finance Officer
<b>Purpose of the report:</b>	JAC Terms of Reference
<b>The report is provided to JAC for: (tick one)</b>	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input type="checkbox"/> Assurance <input checked="" type="checkbox"/> <b>Information</b>
<b>Summary / Key Points:</b>	<ul style="list-style-type: none"> <li>• The JAC Terms of Reference document was last updated and agreed in July 2018.</li> <li>• An exercise was carried out to compare North Wales JAC’s terms of reference with those of other similar bodies.</li> <li>• The document was updates to incorporate changes to the FM Code and to reflect the activities that it has been decided should be carried out by the Joint Audit Committee.</li> <li>• The revised Terms of Reference were reviewed by the Assurance Board.</li> <li>• The attached document was presented to Strategic Executive Board on 2 August 2021 for ratification by the PCC and Chief Constable.</li> </ul>
<b>Recommendations:</b>	Joint Audit Committee members, chief officers and staff of the OPCC and force to note the terms of reference.
<b>Risk register impact:</b>	None
<b>Assurance implications:</b>	It is important to have a common understanding of the role of Joint Audit Committee, in order for them to be able to provide assurance to the PCC and Chief Constable.
<b>Equality Impact:</b>	None
<b>Information exempt from disclosure:</b>	None

## Terms of Reference of the Joint Audit Committee

### 1. Statement of purpose

- 1.1 The Joint Audit Committee is a key component of the corporate Governance of the Police and Crime Commissioner (PCC) and Chief Constable (CC) for North Wales. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- 1.2 The purpose of the Joint Audit Committee is to provide independent advice and recommendation to the PCC and CC on the adequacy of the governance and risk management frameworks, the internal control environment, and financial reporting, thereby helping to ensure efficient and effective assurance arrangements are in place. To this end the Committee is enabled and required to have oversight of, and to provide independent review of, the effectiveness of the Office of the Police and Crime Commissioner's (OPCC) and Force's governance, risk management and control frameworks, the financial reporting and annual governance process, and internal and external audit.
- 1.3 These terms of reference summarise the core functions of the Committee in relation to the OPCC and to the Force and describe the protocols in place to enable it to operate independently, robustly and effectively.

### 2. Governance, risk and control

- 2.1 The Committee will provide advice and recommendations to the PCC and CC in relation to the following areas:
- 2.1.1 Review the corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.
- 2.1.2 Review the annual corporate governance statements prior to approval and consider whether they properly reflect the governance, risk and control environment and supporting assurances and identify any actions required for improvement.
- 2.1.3 Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- 2.1.4 Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPCC and Force.
- 2.1.5 Monitor the effective development and operation of risk management, review the risk profile, and monitor the progress of the PCC and CC in addressing risk-related issues

reported to them (individual Force operational risks are specifically excluded from the remit of the Joint Audit Committee).

- 2.1.6 Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- 2.1.7 Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter fraud strategy, actions and resources.
- 2.1.8 To review the governance and assurance arrangements for significant partnerships or collaborations.
- 2.1.9 The PCC nominate the Joint Audit Committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and Policies.

### **3. Internal Audit**

- 3.1 The Committee will provide advice and guidance to the PCC and CC in relation to the following areas:
  - 3.1.1 Annually review the internal audit charter and resources.
  - 3.1.2 Review the internal audit plan and any proposed revisions to the internal audit plan.
  - 3.1.3 Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence.
  - 3.1.4 Consider the head of internal audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements.
  - 3.1.5 To consider the head of internal audit's statement of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.
  - 3.1.6 Consider summaries of internal audit reports and such detailed reports and the Committee may request from the PCC and Cc, including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions.
  - 3.1.7 Consider a report on the effectiveness of internal audit to support the Annual Governance Statement as required by the Accounts and Audit Regulations (Wales) 2014.
  - 3.1.8 To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To make recommendations on safeguards to limit such impairments and periodically review their operation.

### **4. External audit**



- 4.1 The Committee will provide advice and recommendations to the PCC and CC in relation to the following areas:
  - 4.1.1 Support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by the Auditor General or Wales Audit Office.
  - 4.1.2 Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.
  - 4.1.3 Consider the external auditor's annual management letter, relevant reports and the report to those charged with governance.
  - 4.1.4 Consider specific reports as agreed with the external auditor.
  - 4.1.5 Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

## **5. Financial Reporting**

- 5.1 The Committee will provide advice and recommendations to the PCC and CC in relation to the following areas:
  - 5.1.1 Review the annual statements of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the PCC or CC.
  - 5.1.2 Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements.

## **6. Accountability arrangements**

- 6.1 The Committee will:
  - 6.1.1 On a timely basis report to the PCC and CC with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.
  - 6.1.2 Report to the PCC and CC on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.
  - 6.1.3 Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the PCC and CC.
  - 6.1.4 Publish an annual report of the work of the Committee.

## **7. General**

- 7.1 The Committee will comprise five independent members, who are independent of both the OPCC and Force.
- 7.2 The quorum for the Committee will be at least three independent members.
- 7.3 The committee will meet at least four times each year. Additional meetings may be arranged by exception to discuss matters of urgent concern.



**Joint Audit Committee**

**Meeting Date: 4<sup>th</sup> August 2021**

<b>Title:</b>	Legal Report
<b>Author:</b>	Phil Kenyon, Force Solicitor
<b>Purpose of the report:</b>	To provide the Joint Audit Committee with an overview of legal activity within the Force.  The agenda item encompasses a 2 page Executive Summary and also a detailed report which consolidates the information provided to the Chief Constable and Police and Crime Commissioner.
<b>The report is provided to JAC for: (tick one)</b>	<input type="checkbox"/> Decision <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Information
<b>Summary / Key Points:</b>	<p>The report summarises key legal activity regarding:</p> <ul style="list-style-type: none"> <li>• A report of the civil claims activity for the Chief Constable and the Police and Crime Commissioner over the previous 6 months.(Open)</li> <li>• A report on Contract &amp; Procurement activity for the Chief Constable and the Police and Crime Commissioner for the previous 6 months and lesson learned from civil claims in the previous 6 months</li> <li>• Report contains a 13 page Civil claims report (Open) and 10 page Contract, Procurement and Civil Claims lessons learned report (Closed)</li> </ul>
<b>Recommendations:</b>	To review the attached reports and identify any areas that warrant further scrutiny.
<b>Risk Register Impact:</b>	None.
<b>Assurance Implications:</b>	This report is directly relevant to providing Assurance in in the area of Contract and Procurement compliance.
<b>Equality Impact:</b>	None
<b>Information Exempt from Disclosure:</b>	The information is divided into 2 reports. One is closed and the other is open

## Civil Claims and Employment cases for the period 1st October 2020 – 31st March 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.

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**Vehicle Claims**

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

**Legal Department Resilience**

**Employers' Liability**

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.

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**D E T A I L**

From 1st October 2020 – 31st March 2021, 19 letters of claim were received in the Legal Department of which 2 were Employers' Liability claim and 17 were Public Liability claims.

The table below, where marked red, shows the total number of claims received during the period 1st October 2020 – 31st March 2021. Of the total claims received in the last 6 months proceedings have been issued in respect of one of these claims.

**TOTAL NUMBER OF CLAIMS RECEIVED**

Year	Employers' Liability	Public Liability	Total
2014/2015	3	40	43
2015/2016	6	33	39
2016/2017	3	50	53
2017/2018	5	52	57
2018/2019	5	49	54
2019/2020	7	41	48
2020/2021	2	17	19

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**Details of Public Liability claims received during  
1st October 2020 – 31st March 2021 following on from a complaint**

Claims received following a complaint	Complaint results	Civil Claim results
3	1 complaint upheld 2 complaints not upheld	1 claim defended 2 claims are still being investigated

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**TOTAL NUMBER OF LIVE CLAIMS**

There are currently **48** 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	4
2014/2015	1	1
2015/2016	0	1
2016/2017	0	0
2017/2018	1	1
2018/2019	3	3
2019/2020	1	13
2020/2021	3	11
<b>TOTAL</b>	<b>10</b>	<b>38</b>
<b>TOTAL NUMBER OF LIVE EMPLOYERS' AND PUBLIC LIABILITY CLAIMS:</b>		<b>48</b>



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CURRENT POSITION ON LIVE CIVIL CLAIMS

	Employers' Liability	Public Liability
Proceedings issued	0	3
Claims successfully rebutted but not yet closed	1	16
Claims not yet resolved	6	14
Claims still being investigated/complaints ongoing	3	8

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**EMPLOYERS' LIABILITY CLAIMS**

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

<b>Type of Claim Received</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>
Slips/Trips/Falls	2	3	1	2	5	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	4	0	1	3	0	0
Other	2	3	2	0	2	0
Injuries to finger/hand	0	0	1	0	0	1
<b>Total</b>	<b>8</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>2</b>

**Commentary**

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

**PUBLIC LIABILITY CLAIMS**

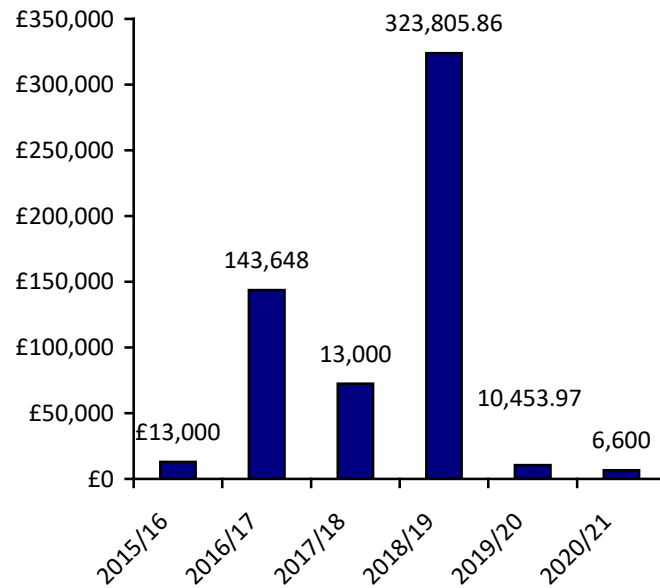
The table below demonstrates the most frequently claimed heads of damage of Public Liability claims received during the last six years. There may be one or more heads of damage in one claim hence the figures do not represent the number of claims received as per Table 1 (previous).

<b>Type of Claim Received</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>
Assault/Battery	5	11	5	4	3	4
Consequential Loss	3	1	3	0	2	0
False Imprisonment	10	18	8	14	11	5
Malicious Prosecution	2	5	2	0	1	2
Negligence	4	4	4	6	11	1
Other	15	24	23	13	12	7
Property Damage/seizure	9	17	21	24	18	7
Trespass to Person	0	0	3	2	2	2
Trespass to Property	3	6	1	4	2	2
Unlawful Arrest	8	11	4	2	6	1
<b>Total</b>	<b>59</b>	<b>97</b>	<b>74</b>	<b>69</b>	<b>68</b>	<b>31</b>

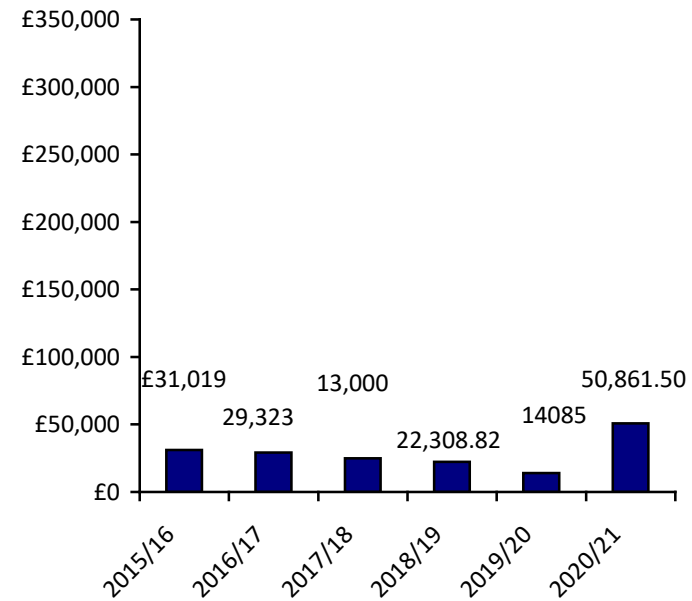
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Compensation awarded to Claimants between 1st October 2020 – 31st March 2021

Employers' Liability Claims



Public Liability Claims



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**Costs paid to Claimants' Solicitors in relation to settled claims between 1st October 2020 – 31st March 2021**

<b>Employers' Liability Claims</b>	<b>Public Liability Claims</b>
£1296.00	£16,987.04

**North Wales Police's legal costs in relation to settled civil claims finalised between 1st October 2020 – 31st March 2021**

<b>Employers' Liability Claims</b>	<b>Public Liability Claims</b>
£0.00	£11,727.30

**CRU and NHS Payments**

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

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**Breakdown of claims settled between 1st October 2020 – 31st March 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 Data Protection Act	1
Public Liability	Destruction/seizure/damage to property	5
Public Liability	Reimbursement of storage charges	1

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**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.

<b>1st April – 31st March</b>	<b>Settled Claims</b>	<b>No settlements paid</b>	<b>Total closed</b>
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	10	19	29

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.

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**Number of Civil Claims Outsourced**

**Employers' Liability Claims**

<b>Year</b>	<b>Number of Claims Received</b>	<b>Number of Claims Outsourced</b>
2015/2016	8	1
2016/2017	6	1
2017/2018	5	0
2018/2019	5	0
2019/2020	7	0
2020/2021	4	0
2021/2022	2	0

**Public Liability Claims**

<b>Year</b>	<b>Number of Claims Received</b>	<b>Number of Claims Outsourced</b>
2015/2016	33	3
2016/2017	50	0
2017/2018	52	2
2018/2019	49	0
2019/2020	41	0
2020/2021	25	0
2021/2022	17	0

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Employment Matters

Details of Live Employment Claims

Received	Details of Live Claims
2015/2016	95 x Age Discrimination (Pension)  These claims are being dealt with nationally and it is anticipated that the Home Office will amend the Regulations to remove the discrimination.
2018/2019	1 x Race Discrimination Ongoing.
2019/2020	1 Indirect Sex Discrimination and Victimisation Ongoing.
2020/2021	3 x Disability Discrimination Ongoing.  1 x Race, Sex and Sexual Orientation Ongoing.



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**Action Taken/Learning Points**

**It is essential that lessons are learnt from the civil claims which are settled.**

**The department regularly provides a training input for probationers in their training phase where the recurrent issue relating to a failure to record and document matters is discussed and the need to record all dealings with members of the public is reinforced.**

**Where necessary Need to Knows are prepared and circulated.**

**One claim which was settled at a total cost of £21,350 was due to logistical issues in transferring the claimant to Highbury Magistrates Court from St Asaph Custody. Due to the introduction of video link from custody to the courts, ( Court Video Platform introduced due to the Covid19 Pandemic) future claims of this type will be avoided.**

**Human error resulted in payments totaling £8,010.**

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**ITEMS FOR INFORMATION**

**1. SEALING OF DOCUMENTS**

The following documents have been sealed since those reported on in the last report dated 16<sup>th</sup> November 2020

<u>No of Seal</u>	<u>Nature of Document</u>
242	Transfer between (1) PCC for North Wales (2) Rachel Anne Lloyd and Kim Lesley Jones re: Sale of Former Gresford Police Station
243, 244 + 245	Lease and two plans re unit 34 St Asaph Business Park between (1)_ Welsh Government and (2) PCC for North Wales
246 + 247	Lease of Llandonna 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

**2. PROPERTY TRANSACTIONS**

Since those reported in the last report dated 16<sup>th</sup> November 2020 there has been 1 property transaction

Purchase of Lease of Unit 34, St Asaph Business Park, Denbighshire

**LEGAL AND PROCUREMENT DOCUMENT  
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**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:

<b><u>No</u></b>	<b><u>Subject</u></b>	<b><u>Tenderers</u></b>
143	DHQ Caernarfon Old Control Room to Office Refurbishment	(1) NWPS Construction Limited (2) W.R Peters Ltd
144	CCTV replacement service and maintenance	(1) ADT Fire and Security (2) Eclipse Digital Solutions Ltd (3) MSI Alarms (4) North PB Ltd (5) Openview Security Solutions (6) Scutum Uk Ltd (7) Snowdonia Fire Protection Ltd
145	DHQ Caernarfon New SKIA Roof	(1) Liquid Roofing Limited (2) OBR Construction (3) Weatherwell Roofing Ltd
146	Drone and associated items	(1) Evolve Dynamics Ltd (2) Heliguy Ltd
147	Victim satisfaction and public User surveys	(1) IFF Research Ltd (2) MEL Research (3) Opinion Research Services Ltd (4) QRS Market Research Ltd
148	Rhewl Classroom Extension (Lot 1)	(1) NWPS Construction Ltd (2) R L Davies & Son Ltd (3) T G Williams Builders Ltd

**LEGAL AND PROCUREMENT DOCUMENT  
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149	Construction Framework projects Between £50,000-£300,000 (Lot 1)	(1) 4 Construction Ltd (2) Best Construction Ltd (3) Brenig Construction Ltd (4) DRC Property Ltd (5) Elate Construction Ltd (6) GK Construction Ltd (7)Housing Maintenance Solutions Ltd (8)Link Contracting Services Ltd (9)MPH Construction Ltd (10)NOVUS Property Solutions Ltd (11)NWPS Construction Ltd (12)Multitrade Ltd (13)RL Davies & Son Ltd (14)RELM Group Ltd (15)Robert Sheppard Construction Ltd
150	Black jackets and over trousers	(1)Arco Ltd (2)Arktis Endurance Textiles Ltd (3)Ilasco Ltd
151	Appropriate Adult Services	(1) The Appropriate Adult Service Ltd
152	Locker Supply Installation	(1) Garren 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

**LEGAL AND PROCUREMENT DOCUMENT  
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- 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

**4. CONTRACTS Over £10,000**

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

<u>No</u>	<u>Date</u>	<u>Subject Matter</u>	<u>Parties</u>	<u>Cost (exclusive of VAT)</u>
922	22/01/2021	Contract for supply, support and maintenance of case management	(1) The PCC for North Wales (2) Datatank Limited	Commencement date 22/01/2021. Term – 5 years. Value £32,500 over 5 years
923	23/02/2021	Contract for supply and delivery of office furniture	(1) The PCC for North Wales (2) Bof Group Ltd	Commencement date 1/03/2021. Term 5 years. Value £388,000 over 5 years.
917	29/12/2020	Contract for physiotherapy	(1) The PCC for North Wales (2) Arfon Physiotherapy	Commencement date 1/12/2020. Term 1 year with option to extend. Value £15,000-£20,000 per annum
924	19/03/2021	Contract for the supply and delivery of drones and associated items	(1) The PCC for North Wales (2) Colena t/a Heliguy Ltd	Commencement date 1/04/2021. Term 2 years. Value £37,325 over 2 years.
925	26/02/2021	Section 22 Collaboration Agreement – Forensic Collision Investigation Network	(1) The PCC for North Wales (2) UK forces	Commencement date 26/02/2021. Value – Force contributions pro rata according to NRF Model. Term From commencement date until terminated by parties

**LEGAL AND PROCUREMENT DOCUMENT  
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926	23/03/2021	Contract for supply and delivery of DNA Sampling Kits	(1) The PCC for North Wales (2) WA Products (UK) Ltd	Commencement date 4/02/2021. Term 4 years. Value estimated at £10,000 per annum
927	8/06/2020	Contract for the provision of domestic abuse training services	(3) The PCC for North Wales (4) Safelives Ltd	Commencement date 3/04/2021. Term 2 years. Value £160,000 over 2 years.
928	29/04/2021	Contract for the supply of replacement roof at Caernarfon DHQ	(1) The PCC for North Wales (2) Weatherwell Roofing Ltd	Commencement date 29/04/2021. Term – Contract expires 31/05/2021. Value estimated at £66,000
929	20/04/2021	Contract for supply of Hydra in the Cloud	(1) The PCC for North Wales (2) Critical Simulations Ltd	Commencement date 1/02/2021. Term 3 years with option to extend in 12 month intervals. Value over 5 years £88,261.
930	26/04/2021	Non disclosure agreement – sharing material	(1) The PCC for North Wales (2) South Wales Police	Commencement date 23/04/2021. No monetary value
931	05/05/2021 05/05/2021 05/05/2021 05/05/2021 05/05/2021 05/05/2021 21/05/2021 21/05/2021	Contract for Construction work at North Wales Police and North Wales Fire and Rescue Service	(1)The PCC for North Wales (2)MPH Construction (3) Brenig Construction (4)Relm Group Ltd (5)Elate Construction (6)NWPS Construction (7)Park City Ltd (8)Housing Maintenance Solutions (9) GK Construction & Project Management	Commencement date 19 <sup>th</sup> April. Term 19 <sup>th</sup> April 2021 until 15 <sup>th</sup> April 2023 with to extend for a further 2 years. Value estimated between £500,000 to £750,000 per annum for North Wales Police and North Wales Fire and Rescue Service
932	12/05/2021	Contract for works at Caernarfon Police Station Control Room	(1) The PCC for North Wales (2) NWPS Construction Ltd	Commencement date 12/05/2021. Term 6 months. Estimated value £40,000

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933	18/05/2021	Call off Contract for the supply and delivery of Social Media Management & Engagement Platform	(1) The PCC for North Wales (2) Social Signia t/a Orlo	Commencement date 1/06/2021. Term 1 year. Value £60,300 which includes charges of £25 for 201 users and 70 social pages
934	18/05/2021	JCT Contract for a new build of a training facility at Rhewl	(1) The PCC for North Wales (2) R.L Davies & Son Ltd	Commencement date 18/05/2021. Term . One off project. Value £319,201.60
935	21/05/2021	Contract for Occupational Health Unit Records System	(1) The PCC for North Wales (2) RIOMED Limited	Commencement date 21/05/2021. Term – 5 years. Value £59,500 over 5 years.
936	01/06/2021	Contract for the supply and delivery of black jackets and overtrousers	(1) The PCC for North Wales (2) Ilasco Limited	Commencement date 1/06/2021. Term initial period of 3 years with option to extend for further 2 years. Value estimated value £15,000 per annum
937	02/05/2021	Contract for supply and delivery of victim and public satisfaction survey	(1) The PCC for North Wales (2) M.E.L Research Limited	Commencement dated 1/06/2021. Term initial period of 2 years with option to extend up to 3 years further. Value estimated at £388.000 over 5 years.
938	28/05/2021	Contract for drones tool management systems software	(1) The PCC for North Wales (2) Total AoC Solutions Ltd	Commencement date 28/05/2021. Term – 2 years with option to extend for a further 3 years. Value £39,000 for 2 years.
939	16/06/2021	Contract for appropriate adult services	(1) The PCC for North Wales (2) The Appropriate Adult Service 'TAAS'	Commencement date 16/06/2021. Term – 2 years with the option to extend for a further 2 years. Estimated value £39,600 per annum.

**LEGAL AND PROCUREMENT DOCUMENT  
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**5. CONTRACTS Under £10,000**

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

<u>No</u>	<u>Date</u>	<u>Subject Matter</u>	<u>Parties</u>	<u>Cost (exclusive of VAT)</u>
None				

**6. TENDERS IN PROGRESS**

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

Project Title	Task Status	Task	Annual Value	Total Contract Value	Department
Workplace Massage	With Supplier	Quotations	£ 13,200	£ 26,400	Medical Services
Digital Forensics IIOC	Waiting on Lead Force	Mini Competition - £100,000	£ 14,183	£ 70,000	Scientific Support
Flu Campaign	Scoping Options	Quotations	£ 18,000	£ 18,000	Medical Services
DFU Specialist Consumables	In Progress	Tender +£100,000	£	£	Crime Services



**LEGAL AND PROCUREMENT DOCUMENT  
JOINT AUDIT COMMITTEE**

			20,000	90,000	
National Legal Services Framework	In Progress	Direct Award Via Framework	£ 30,000	£ 90,000	Legal
Tranaman Replacement	Not Started	Tender +£100,000	£ 35,000	£ 100,000	Fleet
Painting & Decorating Services Tender	With Legal	Tender +£100,000	£ 40,000	£ 200,000	Facilities
NWP.42007 - OHU Electronic Records System Occupational Health	With Legal	Tender +£100,000	£ 50,000	£ 118,000	Medical Services
Boarding Up	With Legal	Tender +£100,000	£ 50,000	£ 200,000	Local Policing
HR & Payroll new Contract	Not Started	Direct Award Via VEAT	£ 60,000	£ 300,000	POD
Appropriate Adult Services	With Legal	Mini Competition +£100,000	£ 60,000	£ 280,000	OPCC
NWP.43468 - PSU Helmet	ITT Evaluating	Mini Competition +£100,000	£ 65,000	£ 325,000	Procurement
Interpretation, Translation & Transcription Service	ITT Evaluating	Tender by another	£ 70,000	£ 210,000	Local Policing
CCTV Caernarfon Custody & CB HQ	ITT Evaluating	Tender -£100,000	£ 75,000	£ 75,000	Facilities
Conwy Relocate Police Station Works	Scoping Options	Mini Competition - £100,000	£ 85,000	£ 85,000	Facilities
Vehicle Recovery	ITT Standstill	Tender +£100,000	£ 85,000	£ 425,000	Operational Support
VCC Carpark & building extension	In Progress	Mini Competition +£100,000	£ 100,000	£ 100,000	Facilities
LifeX Support & Software Contract	Scoping Options	Direct Award Via VEAT	£ 100,300	£ 1,003,000	IT
Decontamination Services	ITT Standstill	Tender by another	£ 125,700	£ 500,000	Facilities
Locker Supply & Installation	With Legal	Tender +£100,000	£	£	Facilities

**LEGAL AND PROCUREMENT DOCUMENT  
JOINT AUDIT COMMITTEE**

			<b>150,000</b>	<b>150,000</b>	
<b>VCC Internal Building Alterations</b>	<b>In Progress</b>	<b>Mini Competition +£100,000</b>	<b>£ 400,000</b>	<b>£ 400,000</b>	<b>Facilities</b>
<b>Vehicle Purchase</b>	<b>ITT Evaluating</b>	<b>Tender +£100,000</b>	<b>£ 500,000</b>	<b>£ 500,000</b>	<b>Fleet</b>
<b>Construction Works Framework £50k to £300k</b>	<b>With Legal</b>	<b>Tender +£100,000</b>	<b>£ 750,000</b>	<b>£ 2,250,000</b>	<b>Facilities</b>
<b>FM Reactive &amp; Planned Maintenance New Tender</b>	<b>Scoping Options</b>	<b>Tender +£100,000</b>	<b>£ 750,000</b>	<b>£ 750,000</b>	<b>Facilities</b>
<b>Hexagon On call</b>	<b>With Legal</b>	<b>Direct Award Via VEAT</b>	<b>£ 2,000,000</b>	<b>£ 2,000,000</b>	<b>IT</b>
<b>Frontline Mobile Application</b>	<b>ITT Published</b>	<b>Tender +£100,000</b>	<b>£ 2,000,000</b>	<b>£ 3,000,000</b>	<b>Corporate Services</b>
<b>Alcohol Awareness Training</b>	<b>In Progress</b>	<b>Tender by another</b>	<b>non</b>	<b>non</b>	<b>AJD</b>
<b>ICT Managed Workplace Services</b>	<b>Scoping Options</b>	<b>Tender +£100,000</b>	<b>tbc</b>	<b>tbc</b>	<b>IT</b>
<b>ICT Enterprise System Services</b>	<b>Scoping Options</b>	<b>Tender +£100,000</b>	<b>tbc</b>	<b>tbc</b>	<b>IT</b>
<b>ICT Enterprise Communication Services</b>	<b>Scoping Options</b>	<b>Tender +£100,000</b>	<b>tbc</b>	<b>tbc</b>	<b>IT</b>
<b>ICT Managed Security Services</b>	<b>Scoping Options</b>	<b>Tender +£100,000</b>	<b>tbc</b>	<b>tbc</b>	<b>IT</b>

**7. SEALED BIDS**

None

**9. WAIVERS OF STANDING ORDERS**

. Neighbourhood alert system – Home office approval for licence as part of a grant agreement and budget toolkit awarded by 31<sup>st</sup> March 2021. £148,549 over 5 years

**It should be noted that this report is complete as at 22<sup>nd</sup> June 2021 the date it was completed.**