

**TO THE POLICE FIRE AND CRIME COMMISSIONER OF NORTH YORKSHIRE
AND THE CHIEF CONSTABLE OF NORTH YORKSHIRE POLICE**

**ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020
OF THE JOINT INDEPENDENT AUDIT COMMITTEE**

1. INTRODUCTION

1.1. The Joint Independent Audit Committee (JIAC) is responsible for:

- 1.1.1. enhancing public trust and confidence in the governance of the Police Fire and Crime Commissioner for North Yorkshire (PFCC) office and the Chief Constable of North Yorkshire Police (CC);
- 1.1.2. providing independent assurance on the adequacy of corporate governance and risk management arrangements, the internal control environment and the integrity of the financial reporting and governance processes; and
- 1.1.3. providing an independent and high-level resource to support good governance and strong public financial management.

1.2. This is the fifth Annual Report of the JIAC and it sets out how the JIAC fulfilled its purpose and responsibilities in 2019/20.

1.3. The JIAC supports accountability within the force through the review of:

- 1.3.1. Internal Control Environment
- 1.3.2. Corporate Risk Management
- 1.3.3. Regulatory Framework
- 1.3.4. Internal Audit
- 1.3.5. External Audit
- 1.3.6. Financial Reporting
- 1.3.7. Inspections and Reviews (HMICFRS)
- 1.3.8. Civil Claims; and
- 1.3.9. Information Governance

It will hold to account those responsible for the implementation of recommendations and action plans. In addition, by overseeing the process of evaluating and improving governance, risk management and control, the JIAC helps those responsible for governance to ensure that accountability throughout the force is working well.

1.4. The JIAC is, in its turn, held to account by both the PFCC and the CC on the extent to which it has fulfilled its purpose. The Chartered Institute of Public Finance and Accountancy (CIPFA) provides guidance on the function and operation of Police Audit Committees and sets criteria for assessing the effectiveness of the JIAC, which forms an integral part of this report:

- 1.4.1. has the committee discharged its responsibilities effectively?
 - 1.4.2. has the committee adopted recommended good practice?
 - 1.4.3. have the development needs of committee members been assessed and are committee members accessing briefing and training opportunities?
 - 1.4.4. has the committee assessed its own effectiveness or been the subject of a review?
 - 1.4.5. what impact has the committee had on the improvement of governance, risk and control?
- 1.5. Additionally, this report provides the PFCC and CC with a summary of the areas of work considered by the JIAC during the year ended 31 March 2020. This is in line with the CIPFA guidance that recommends that Audit Committees should report annually on how they have discharged their responsibilities.
- 1.6. The PFCC and CC were impacted towards the end of the financial year by the Coronavirus (COVID-19) pandemic. The JIAC meeting in March 2020 considered the governance and risk implications as the world health and UK government responses and guidance were being developed including the implications for the PFCC, CC and JIAC in 2020/21. The initial impact from a governance perspective was minimal but JIAC will continue to adapt its approach to provide necessary assurances in respect of governance and accountability following the implementation of changes to ways of working.
- 1.7. The JIAC wishes to record its thanks to the officers of the PFCC and CC along with the Internal Auditors and External Auditors who have supported its work during the year. The JIAC has received the full assistance and co-operation from officers in carrying out its work and discharging its responsibilities and has had unfettered access to the Internal and External Auditors.

2. HAS THE COMMITTEE DISCHARGED ITS RESPONSIBILITIES EFFECTIVELY?

- 2.1. The JIAC Terms of Reference follow CIPFA guidance and are reviewed regularly. Details of the current Terms of Reference can be found on the PFCC website and in Appendix A.
- 2.2. The Committee believes it met the requirements of the Terms of Reference, both in terms of relevant agenda items and the effectiveness of its review.
- 2.3. As part of reporting annually to the PFCC and CC the JIAC has taken the opportunity to review the Terms of Reference for the financial year and recommends to the PFCC and CC:
 - 2.3.1. The adoption of the current Terms of Reference for the current financial year.
- 2.4. The JIAC meets at least 4 times a year and has a schedule of those matters to be considered at each meeting. In brief, audit activity is reviewed at every meeting including internal and external audit plans and reports. Particular aspects of

governance and controls are reviewed including risk management. The joint Annual Governance Statement was considered at the June 2020 meeting and will be considered for recommendation at the September 2020 meeting although reviews of progress against identified areas for development are considered throughout the year. The annual accounts will be considered including the external auditor's report on them at the September 2020 meeting. Further details of JIAC activity are included in Appendix A.

2.5. The JIAC met privately and separately with the External Auditor and with the Head of Internal Audit during the year and the Chair maintains direct dialogue throughout the year.

2.6. The PFCC and the CC attend and/or ensure the attendance of appropriate Statutory Officers and Command Team representatives at each meeting and have facilitated the attendance of other employees when they have been requested. The Chair maintains direct dialogue with Statutory Officers and representatives throughout the year.

2.7. Committee Composition

2.7.1. The membership of the JIAC during the year was:

- | | |
|----------------|----------------------------|
| • Jason Brine | Chair |
| • Asim Ashraf | Member |
| • Heather Cook | Member |
| • Helen Fowler | Member |
| • Pauline Fox | Member (retired July 2019) |
| • Max Thomas | Member |

2.8. Quorum at JIAC Meetings

The JIAC was quorate in all its meetings which were held in public on:

- 21 May 2019
- 23 July 2019
- 28 November 2019
- 31 March 2020

3. HAS THE JIAC ADOPTED RECOMMENDED GOOD PRACTICE?

3.1. The Committee has reviewed its performance against good practice identified by CIPFA (see Appendix B) and the review shows the Committee is following good practice in the way it operates.

3.2. The self-assessment highlighted:

- 3.2.1. Question 18 'Amber' - The JIAC took the opportunity at the end of 2018-19 to obtain feedback from the External Auditor and the Head of Internal Audit on the operation of the Committee and its effectiveness.
 - 3.2.2. Question 20 'Red' – No areas for improvement have been identified as a result of the feedback hence there is no current action plan.
- 3.3. Each member of the JIAC has completed Police Vetting and declared any interests in the business of the Committee. Declarations of interest are included as a standing agenda item.
4. HAVE THE DEVELOPMENT NEEDS OF COMMITTEE MEMBERS BEEN ASSESSED AND ARE THEY ACCESSING BRIEFING AND TRAINING OPPORTUNITIES?
- 4.1. Members have received briefings in several areas during 2019-20, based on current issues and areas they identified themselves. Issues covered included:
 - 4.1.1. HMICFRS deep dive into processes and reporting;
 - 4.1.2. Civil Claims and Information Request statistics and analysis;
 - 4.1.3. independently meeting with the External Auditor and the Head of Internal Audit;
 - 4.1.4. ongoing updates of the Transform 2020 project; and
 - 4.1.5. progress updates of the Enable North Yorkshire ("Enable NY") project.
 - 4.2. During the year one or more Members attended the following updates and workshops:
 - CIPFA, Development Day for Police and Fire & Rescue Audit Committee Members
 - CIPFA, Webinar the Impact of Covid-19 on the Police Sector
 The Members are committed to continued development and will access appropriate briefing and training opportunities in 2020-21.
 - 4.3. The Chair receives direct communications, at the same time as the CC's S151 officer, from Public Sector Audit Appointments Limited regarding the appointment and performance of public sector auditors nationally. This includes fees consideration, audit supply procurement and audit timetables.
 - 4.4. The Members throughout the year have been provided with regular external briefings in relation to public sector governance and police governance including regular briefing newsletters from:
 - 4.4.1. the Internal Auditors RSM:
 - Emergency Services Sector Update August 2019; and
 - Emergency Services Sector Update February 2020.
 - 4.4.2. The External Auditors Mazars:
 - Guidance on a reference to national publications.

- 4.5. Lead Members have been allocated for the thematic areas of Information Management and separately Risk Management and have been actively engaged with the appropriate teams. These areas were identified as areas where a greater depth of insight was required.
- 4.6. Committee members have assessed themselves against CIPFA's knowledge and skills framework (Appendix D). This continues to form the basis of briefings and training in 2020-21.

5. HAS THE JIAC ASSESSED ITS OWN EFFECTIVENESS OR BEEN THE SUBJECT OF A REVIEW?

- 5.1. The Committee assessed its own effectiveness based on CIPFA guidance in 19/20. (Appendix C). This identified some areas where effectiveness can be developed; these include:
- Consideration of effectiveness of recently established Risk Performance Meeting;
 - Oversight of Enable NY collaborative arrangements;
 - Review of whistleblowing policies and anti-fraud and anti-corruption arrangements.

6. WHAT IMPACT HAS THE COMMITTEE HAD ON THE IMPROVEMENT OF GOVERNANCE, RISK AND CONTROL?

- 6.1. JIAC has considered a wide range of areas during the year but legislation restricts the role of police audit committees. The Chief Constable and PFCC are 'those charged with governance' and this means the Committee's role is largely advisory. The other restriction on the Committee is the limited time available. With only four meetings per year it is difficult to be aware of all developments.
- 6.2. Despite these limitations, the Committee has made an impact during the year and the following is an indication of this:
- 6.2.1. The Chair meets with officers of the PFCC and CC, Internal Auditors and External Auditors as necessary to keep abreast of their work programmes insofar as they are relevant to the work of the JIAC. It is also possible for the Chairman to have discussions with the Statutory Officers about emerging issues.
- 6.2.2. The Committee identified areas where more information and training were required to fulfil its role effectively. It therefore requested presentations on a range of areas providing additional assurance on the arrangements in place and Lead Members have been allocated to specific areas.
- 6.2.3. The Committee has a key role in reviewing the Annual Accounts and the Annual Governance Statement. With regular briefing on key features of

the statements and meetings with external audit, the Committee is in a good position to provide assurance to the PFCC and CC before they formally approve these documents.

6.2.4. The Committee continues to consider the impact of the PFCC arrangements in relation to the Fire and Rescue Service for North Yorkshire (FRS) as they impact on the governance arrangements for the PFCC and the CC. The JIAC will continue to review the Enable NY collaborative arrangements as they mature.

6.2.5. The Committee, during the year, has received regular updates on the extensive organisational change "Transform 2020" programme and has considered its impact for the PFCC and the CC as it neared completion. The implementation of the Enable NY programme has been briefed to and considered by the JIAC at each of its meetings in 2019/20.

6.2.6. The Committee:

- closely monitors internal audit resources and progress against the audit plan;
- regularly challenges progress and resources in implementation of SMART actions in response to audits;
- considers and recommends areas of Governance that require development for inclusion in the Annual Governance Statement.

6.2.7. The Committee agreed with the PFCC and CC an Internal Audit approach of auditing and investigating the areas of higher risk and uncertainty within the organisations. This targeted approach will purposefully lead to more negative audit reports but, in conjunction with SMART actions, these audits are more valuable to the organisations and leads to a greater emphasis on improvement and implementation. The 2019/20 Internal Audit conclusions were:

- 6.2.7..1. Reasonable assurance on risk management arrangements;
- 6.2.7..2. 12 control audits carried out (6 partial – negative, 4 reasonable – positive, 2 substantial – positive);
- 6.2.7..3. Reasonable progress on implementing agreed actions by the end of the year.

Overall, the Internal Auditors concluded both the PFCC and the CC have an adequate and effective framework for risk management, governance and internal control. However further enhancements were identified to ensure they remain adequate and effective.

6.2.8. The Committee monitors and challenges progress against recommendations and actions arising from HMICFRS inspections. The 2019 HMICFRS PEEL (police effectiveness, efficiency and legitimacy) inspection found that:

- 6.2.8..1. Good – reducing crime and keeping people safe;
- 6.2.8..2. Good – efficient and sustainable operation;
- 6.2.8..3. Requires Improvement – treating public and workforce legitimately.

6.2.9. The Committee has not identified any significant control risks through the year however, it has identified the following areas of risk or themes that have recurred while undertaking its work that it will seek assurance on during the next year:

- Actions to address the deficiencies that resulted in the HMICFRS legitimacy rating of “requires improvement”;
- The risk associated with governance and service delivery following the decision of the PFCC not to stand for re-election;
- The governance and control arrangements for services delivered through the Enable NY collaboration arrangements;
- Progress against recommended actions in respect of:
 - Integrated offender management
 - Seized exhibits.

These have been recommended to the PFCC and CC for inclusion in the joint Annual Governance Statement as Areas for Development for the period.

6.2.10. COVID-19 impacted towards the very end of the reporting period so the impact from a governance perspective had been minimal. Looking ahead JIAC will consider the risks associated with the alignment of governance processes to the emerging new normal following changes to ways of working. This will complement the review of arrangements associated with Enable NY and include:

- changing priorities,
- the impact on the control environment,
- resourcing pressures,
- future financial sustainability and organisational resilience, and
- the impact on partner organisations.

7. COMMITTEE’S CONCLUSIONS ON GOVERNANCE

7.1. The Committee has received assurances on the operation of the PFCC and CC’s systems of governance, risk management, financial reporting and annual governance statement arrangements. Its work has not identified any significant control risks and the JIAC concludes that the arrangements reviewed are adequate.

- 7.2. The JIAC has reviewed its effectiveness against its terms of reference and objectives. Members believe the Committee has been effective and this has been supported by the opinions received from the External Auditor and the Head of Internal Audit.
- 7.3. The JIAC is confident that the range of Member's governance and risk experience is robust and sufficient for the Committee to be effective. Areas where, having identified a need, further training could be provided to enhance the operation of JIAC have been identified as including:
- 7.3.1. Structure, responsibilities and governance of Enable NY;
 - 7.3.2. Continued training in areas specific or unusual to the police.
 - 7.3.3. COVID-19 impact, new risks and uncertainties.

The JIAC recognises the significant challenges facing the PFCC and CC and aims to support them in developing governance arrangements as they address key challenges including collaborative working within continued financial constraints.

Whilst the coronavirus pandemic did not impact materially on operational matters during 2019/20 it has highlighted many areas to explore in relation to organisational learning and potential efficiencies. The resulting changes to ways of working and their potential impacts on governance arrangements will be monitored in 2020/21.

Jason Brine
Chair of JIAC
22 September 2020

Appendix A

Terms of Reference and Review

Terms of reference:

Composition of the JIAC

That the JIAC comprises not less than 5 Members, including 1 Chair, who are independent of the Commissioner's office and North Yorkshire Police. The length of each appointment will be confirmed on recruitment, but will be between 2 and 4 years, with a maximum term of four years. A member may apply for re-appointment however re-appointment may only take place once.

To support the Committee in undertaking their role attendees from each of the following will also attend every ordinary meeting of JIAC:

- The Command Team of the Police Force, including at least one operational Police Officer, are required to be represented at each meeting of the Committee.
- At least one of the OPFCC's Statutory Officers are required to attend each meeting of the Committee.
- A representative from each of External Audit and Internal Audit shall also attend each meeting of the Committee.

Other attendees will be confirmed by the Chair as and when required. The Police, Fire and Crime Commissioner and Chief Constable although not Members of the JIAC, may attend any meeting.

Quorum of the JIAC

No decisions can be made at the meeting of the JIAC unless at least 3 Members of the JIAC are present.

At any meeting the Chair shall preside, if present. In his or her absence the Members present shall appoint one of their number to act as Chair for that meeting.

Press and Public

The Public shall be admitted to all meetings of the JIAC unless excluded by resolution in accordance with the provisions of the Local Government Act 1972 (Schedule 12a), as amended by the Local Government (Access to Information) Act 1985.

A member of the public will not be permitted to speak or ask questions at the meeting except with the consent of the meeting Chair.

Exclusion of Public Access

The public must be excluded from meetings whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that confidential information would be disclosed.

Confidential information means information given to the Commissioner or Chief Constable by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by Court Order.

Items will be considered '**Below the Line**' or '**not for publication**' when they contain exempt information as defined by schedule 12 of the Local Government Act 1972.

Individual members of the public may be excluded at the discretion of the meeting Chair on the basis of maintaining good order.

Purpose

The JIAC is responsible for enhancing public trust and confidence in the governance of the Commissioner's office and North Yorkshire Police. It also assists the Commissioner in discharging statutory responsibilities in holding the Police Force to account, and ensures that effective governance and risk management arrangements are in place and functioning efficiently and effectively. This is achieved by;

- Advising the Commissioner and Chief Constable of North Yorkshire Police according to good governance principles.
- Independently scrutinising financial and non-financial performance to the extent that it affects the Commissioner's office and North Yorkshire Police exposure to risks and weakens the internal control environment.

- Providing independent assurance on the adequacy and effectiveness of the Commissioner's office and North Yorkshire Police internal control environment and risk management framework.
- Overseeing the effectiveness of the framework in place for ensuring compliance with statutory requirements.
- Overseeing governance and monitoring of governance within the organisation.
- Overseeing the financial reporting process.
- Having unfettered access to Internal Audit and External Audit where required and to meet with them at least once a year out with formal JIAC sessions and without executive representation.

On an annual basis the JIAC shall complete a self-assessment which shall inform a report on the work of the Committee to the Commissioner and Chief Constable.

To aid the JIAC in delivering its purpose and objectives the Commissioner will make available funds for the JIAC to take independent legal and financial advice where the JIAC deems it is reasonably necessary to do so. Where the JIAC deems this advice is necessary it should be discussed and coordinated with the Commissioner's Monitoring Officer and the Chief Finance Officers of the Commissioner and Chief Constable.

Notice of Meetings

The JIAC meets on at least four occasions during a financial cycle typically in May, July, November and March.

In the event that additional formal JIAC sessions are required these can be convened at the request of either the Chair or at least two JIAC members.

Objectives

The JIAC in effectively discharging its function is responsible for:

Internal Control Environment

- Satisfying itself as to the effectiveness of the internal control framework in operation within the Office of the Commissioner and North Yorkshire Police and advising the Commissioner and Chief Constable of North Yorkshire Police as appropriate.

- Considering the Annual Governance Statement for publication with the annual accounts, together with associated action plans for addressing areas of improvement and advising the Commissioner as appropriate.
- Considering the arrangements to secure value for money and review assurances on the effectiveness of those arrangements.

Corporate Risk Management

- Approving the Commissioner's and North Yorkshire Police's corporate risk management strategy and framework; ensuring that an appropriate framework is in place for assessing and managing key risks to the Office of the Commissioner and North Yorkshire Police.
- Considering the financial risks to which the Commissioner and North Yorkshire Police are exposed and approving measures to treat, tolerate, transfer or terminate them as appropriate.
- Providing assurance to the Commissioner and Chief Constable of North Yorkshire Police as appropriate on the effectiveness of the risk management framework in operation.
- Providing oversight and scrutiny of the risk registers of both the Commissioner and Chief Constable

Regulatory Framework

- Maintain an overview of the governance framework in respect of contract procedure rules, financial regulations and codes of conduct and behaviour.
- Review any issue referred to it by the statutory officers of the Commissioner and Chief Constable and make recommendations as appropriate.
- Monitor the policies of both the Commissioner and Chief Constable on the making of protected disclosures (whistleblowing) and any anti-fraud & anti-corruption strategy.

Internal Audit

- Advising the Commissioner and Chief Constable of North Yorkshire Police on the appropriate arrangements for internal audit, the appointment of the Internal Auditors and approving the Internal Audit Strategy.

- Approving the internal audit annual programme.
- Overseeing and giving assurance to the Commissioner and Chief Constable of North Yorkshire Police on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk.
- Considering the Internal Audit's findings on the internal control environment for the Office of the Commissioner and North Yorkshire Police; ensuring appropriate action is taken to address any areas for improvement.
- Reviewing and monitoring the effectiveness of office of the Commissioner and North Yorkshire Police on fraud, irregularity and corruption.

External Audit

- Advising the Commissioner and Chief Constable of North Yorkshire Police on the appointment of external auditors.
- Approving/recommending on behalf of the Commissioner and Chief Constable of North Yorkshire Police the external audit programme and associated fees.
- Reviewing the external auditor's Annual Completion Report and any other reports; reporting on these to the Commissioner and Chief Constable of North Yorkshire Police as appropriate and including progress on the implementation of agreed recommendations.
- Reviewing External Auditor's Annual Audit Letter and making recommendations as appropriate to the Commissioner and Chief Constable of North Yorkshire Police.

Financial Reporting

- Reviewing the Annual Statement of Accounts and make recommendations, or bring to the attention of the Commissioner or Chief Constable, any concerns or issues.
- Considering whether appropriate accounting policies have been followed and any changes to them.

Inspection and Review

- Considering HMICFRS, external review agencies and any internal inspection reports that provide assurance on the internal control environment and/or may highlight governance issues for the Office of the Commissioner and/or North Yorkshire Police.

Civil Claims

- Maintaining an overview of civil claims and other legal proceedings affecting or revealing matters of good governance.

Information Governance

- Reviewing Corporate Strategy, policies and procedures in relation to Information Governance for both the Commissioner and Chief Constable.
- Reviewing reports from the Senior Information Risk Owner (SIRO), of both the Commissioner and Chief Constable, relating to the implementation of the corporate strategy, compliance with the legal framework regulating data protection and other information governance.
- Considering any implications for governance and the annual governance statements of both the Commissioner and Chief Constable from issues in this area.

Approval

These Terms of Reference were approved by the Police, Fire and Crime Commissioner and Chief Constable on 28 May 2019 and will be reviewed annually.

Review of Objectives:

Internal Control Environment	Effectiveness Consider Annual Governance Statement and Accounts	<ul style="list-style-type: none">• An internal audit tracker enables a high-level view of the progress being made by management in implementing actions following internal audit activity. Any exceptions are reported to JIAC through the tracker. The tracker is considered at each sitting of JIAC and facilitates discussion with officers around the residual exposure if actions are not completed.
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		<ul style="list-style-type: none"> • A HMICFRS recommendations tracker has been in development throughout the year but still requires refinement. The format requires development in order to be effective as a management and oversight tool although assurance has been obtained for the implementation of HMICFRS recommendations. • JIAC considered the emerging drafts of the joint Annual Governance Statement (AGS) and the organisations' Accounts for 2019/20 in June 2020. Where relevant JIAC contributed to the development of the drafts prior to recommending them for approval to the PFCC and CC. • In March 2020 JIAC received an update on the progress made with the areas for development that were contained in the AGS for 2018/19. The areas for development were on track for completion. • A Lead Member continues to assist in the JIAC's understanding of Data Integrity and Data Compliance.
Corporate Risk Management	<p>Approve risk management strategy</p> <p>Consider financial risks</p> <p>Effectiveness of risk management</p> <p>Oversight of risk registers</p>	<ul style="list-style-type: none"> • JIAC receive a quarterly update on risk register development and business continuity matters. This provides JIAC with an overview of how this area is developing by reference to significant changes to the strategic risk register and a summary of any business continuity incidents. • A Risk Performance Committee has been re-established to continue the development of the principal risk register. • A Lead Member continues to assist in the JIAC's understanding of Corporate Risk issues and progress.
Regulatory Framework	<p>Overview of governance framework</p> <p>Review of referred issues</p> <p>Whistleblowing and anti-fraud policies</p>	<ul style="list-style-type: none"> • As indicated above there is some overlap in the areas of coverage set out in the terms of reference. The regulatory framework as defined in the terms of reference is linked to some of the other matters considered under a different heading in the plan during 2019/20. • No specific issues were referred to JIAC during the period.
Internal Audit	<p>Advise PFCC and CC on appropriate arrangements</p> <p>Approve annual programme</p>	<ul style="list-style-type: none"> • Internal Audit services to the PFCC and CC have been provided by RSM during the year. Internal Audit assignments are determined after an assessment of the risks associated with the various activities of the PFCC and CC. The Annual

	<p>Oversight and provision of assurance on adequacy and effectiveness</p> <p>Consider annual findings</p> <p>Review effectiveness of PCC on fraud</p>	<p>Internal Audit plan is developed to support the Police and Crime Plan Priorities and complement the risk management framework. The Internal Audit plan also considers the work of External Audit and the other external inspection activity to which the PFCC and CC are subject to avoid duplication. The Internal Audit Strategy for 2019/20 was prepared by RSM and approved by the JIAC at its March 2019 meeting.</p> <ul style="list-style-type: none"> • During the year the JIAC received quarterly progress reports from RSM in relation to the 2019/20 plan. The JIAC has also received the final reports from each of the assignments completed during the year. • There were 12 internal audit assignments undertaken in 2019/20 that had assurance levels assigned to them. <ul style="list-style-type: none"> ○ 2 resulted in an assessment of substantial assurance ○ 4 resulted in an assessment of reasonable assurance ○ 6 reports that had an assessment of partial assurance • RSM advised the partial assurance reports be considered when completing the Joint Annual Governance Statement for 2019/20. • RSM’s opinion based on the work completed in the reporting period for both the PCC and CC was: <p><i>“The organisations have an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective. We have performed two Follow Up reviews to determine the organisations implementation of internal audit findings and we have reported poor and reasonable progress has been made in implementing the agreed actions.”</i></p>
<p>External Audit</p>	<p>Advise PFCC and CC on appointment</p> <p>Approve annual programme and fees</p>	<ul style="list-style-type: none"> • Mazars LLP continue as external auditors for the PFCC and the CC. This appointment was made by Public Sector Audit Appointments Limited for a five-year term. • Mazars reported the following in September 2020 in relation to their audit

	<p>Review reports and recommendations Review Annual Audit Letter</p>	<p>activity for the 2019/20 period: <u>Audits of the Financial Statements for the year ended 31 March 2020</u> The audit of the Statement of Accounts for 2019/20 resulted in an unqualified audit opinion, without modification. The opinion of Mazars was that the financial statements:</p> <ul style="list-style-type: none"> ○ Gave a true and fair view of the financial position of the Group as at 31 March 2020 and of its expenditure and income for the year then ended; and ○ Had been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. <p><u>Annual Completion Reports</u> The completion report set out the outcome of the audit and highlighted any issues that Mazars were required to bring to the JIAC's attention. Any matters that arose as part of the audit were resolved during the process and the reports confirmed that there were no additional matters to report in relation to the oversight of the financial reporting process.</p> <p><u>Value for Money Conclusions</u> Mazars were required to come to a Value for Money conclusion in respect of the organisations. For the year ended 31 March 2020 Mazars concluded that both had put in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources.</p>
<p>Financial Reporting</p>	<p>Reviewing the Annual Statement of Accounts Considering appropriateness of accounting policies</p>	<ul style="list-style-type: none"> • During the year the JIAC consideration of matters pertinent to Financial Reporting has included the presentation of the draft and final accounts for 2019/20. These were presented to JIAC in draft form prior to and post external audit scrutiny. • A report pertaining to the review of current accounting policies was considered in March 2019. This provided an overview to JIAC in advance of the reporting of the draft accounts for 2019/20 later that year. • A quarterly item is listed on the Work Plan for "in year financial monitoring

		and the medium-term financial plan”.
Inspection and Review	Consider external review agencies reports	<ul style="list-style-type: none"> • External agencies reports are considered at each meeting by reference to any relevant reports released between meetings. During the reporting period reports relevant to this theme have been produced by Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS). • Whilst JIAC do not consider each HMICFRS report in detail, assurance is sought from officers that appropriate consideration and action is taken in respect of the report recommendations. This is particularly the case if there has been a grading of “inadequate” or “requires improvement”. • A HMICFRS recommendations tracker remains in development.
Civil Claims	Overview of civil claims and other legal proceedings	<ul style="list-style-type: none"> • At the June 2020 session JIAC received an overview of all in-house claims handling and other legal proceedings. • The JIAC plan of work was revised to include quarterly reports on all civil claims activity to provide a higher level of assurance to the PFCC and CC about the governance of this area.
Information Governance	<p>Reviewing associated Corporate Strategy</p> <p>Review reports from Senior Information Risk Owner</p> <p>Considering any implications for governance</p>	<ul style="list-style-type: none"> • JIAC received an overview of Information Governance during the year and has received specific Internal Audit reports. • A Lead Member has been identified to assist in the JIAC’s understanding of issues and progress. • Regular Information Assurance updates will flow from the Force Information Assurance Board and quarterly reporting has been added to the JIAC plan of work.

Appendix B
CIPFA Self-Assessment of Good Practice

Good practice questions		Yes	Partly	No
Audit committee purpose and governance				
1	Does the authority have a dedicated audit committee?	X		
2	Does the audit committee report directly to full council? (Applicable to local government only.)	Not applicable to Police audit committees		
3	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	X		
4	Is the role and purpose of the audit committee understood and accepted across the authority?	X		
5	Does the audit committee provide support to the authority in meeting the requirements of good governance?	X		
6	Are the arrangements to hold the committee to account for its performance operating satisfactorily?	X		
Functions of the committee				
7	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?			
	good governance	X		
	assurance framework	X		
	internal audit	X		
	external audit	X		
	financial reporting	X		
	risk management	X		
	value for money or best value	X		
	counter-fraud and corruption.	X		
8	Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	X		
9	Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them? ¹	X		

¹ Audit committees can also support their authorities by undertaking a wider role in other areas including: Considering governance, risk or control matters at the request of other committees or statutory officers; Working with local standards committees to support ethical values and reviewing the arrangements to achieve those values; Reviewing and monitoring treasury management arrangements in accordance with the CIPFA Treasury Management Code of Practice.3; Providing oversight of other public reports, such as the annual report.

10	Where coverage of core areas has been found to be limited, are plans in place to address this?	X		
Good practice questions				
11	Has the committee maintained its advisory role by not taking on any decision-making powers?	X		
Membership and support				
12	Has an effective audit committee structure and composition of the committee been selected? This should include: <ul style="list-style-type: none"> • separation from the executive • an appropriate mix of knowledge and skills among the membership • a size of committee that is not unwieldy • where independent members are used, that they have been appointed using an appropriate process. 	X X X X		
13	Does the chair of the committee have appropriate knowledge and skills?	X		
14	Are arrangements in place to support the committee with briefings and training?	X		
15	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	X		
16	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?	X		
17	Is adequate secretariat and administrative support to the committee provided?	X		
Effectiveness of the committee				
18	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?		X	
19	Has the committee evaluated whether and how it is adding value to the organisation?	X		
20	Does the committee have an action plan to improve any areas of weakness?			X

Appendix C
Evaluating the Effectiveness of the Audit Committee

The Committee assessed each area and agreed a score from 1 to 5. 1 means no evidence can be found that the audit committee has supported improvements in this area. 5 means clear evidence is available from several sources that the committee is actively supporting improvements across all aspects of this area.

Areas to Add Value	Agreed Score	Areas to Develop
Promoting the principles of good governance and their application to decision making.	5	
Contributing to the development of an effective control environment.	5	
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	4	Consideration of effectiveness of recently established PFCC Risk Performance Meeting
Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	5	
Supporting the quality of the internal and external audit activity, particularly by underpinning its organisational independence.	5	
Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements.	5	
Supporting the development of robust arrangements for ensuring value for money.	4	Oversight of Enable NY collaborative arrangements
Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.	3	Review of whistleblowing policies and anti-fraud and anti-corruption arrangements
Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.	5	
Awareness of and compliance with the CIPFA self-assessment of Good Practice	5	

Appendix D

Committee Members Assessment – Knowledge and Skills Framework

(Based on Appendix C of CIPFA’s “Audit Committees - Practical Guidance for Local Authorities and Police”)

Knowledge area	Details of core knowledge required	Identified Need for Training
Organisational knowledge	<p>An overview of the governance structures of the authority and decision-making processes.</p> <p>Knowledge of the organisational objectives and major functions of the authority.</p>	<p>Structure, responsibilities and governance of Enable NY</p> <p>Continued training on areas specific or unusual to the police</p> <p>COVID-19 impact</p>
Audit committee role and functions	<p>An understanding of the audit committee’s role and place within the governance structures. Familiarity with the committee’s terms of reference and accountability arrangements.</p> <p>Knowledge of the purpose and role of the audit committee.</p>	
Governance	<p>Knowledge of the six principles of the CIPFA/SOLACE Good Governance Framework and the requirements of the Annual Governance Statement (AGS).</p> <p>Knowledge of the local code of governance.</p>	
Internal audit	<p>An awareness of the key principles of the Public Sector Internal Audit Standards and the Local Government Application Note.</p> <p>Knowledge of the arrangements for delivery of the internal audit service in the authority and how the role of the head of internal audit is fulfilled.</p>	
External audit	<p>Knowledge of the role and functions of the external auditor and who currently undertakes this role.</p> <p>Knowledge of the key reports and assurances that external audit will provide.</p> <p>Knowledge about arrangements for the appointment of auditors and quality monitoring undertaken.</p>	
Risk management	<p>Understanding of the principles of risk management, including linkage to good governance and decision making.</p> <p>Knowledge of the risk management policy and strategy of the organisation.</p> <p>Understanding of risk governance arrangements, including the role of members and of the audit committee.</p>	

Financial management and accounting	<p>Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them.</p> <p>Understanding of good financial management principles.</p> <p>Knowledge of how the organisation meets the requirements of the role of the chief financial officer, as required by the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.</p>	
Counter-fraud	<p>An understanding of the main areas of fraud risk the organisation is exposed to.</p> <p>Knowledge of the principles of good fraud risk management practice (CIPFA Code of Practice on managing the risk of fraud and corruption (2014)).</p> <p>Knowledge of the organisation's arrangements for tackling fraud.</p>	
Values of good governance	<p>Knowledge of the Seven Principles of Public Life.</p> <p>Knowledge of the authority's key arrangements to uphold ethical standards for both members and staff.</p> <p>Knowledge of the whistleblowing arrangements in the authority.</p>	

The training needs arising from this assessment are:

- Structure, responsibilities and governance of Enable NY
- Continued training in areas specific or unusual to the police
- COVID-19 impact, new risks and uncertainties