

Joint Independent Audit Committee

Annual Report 2021/22



To the Police and Crime Commissioner and the Chief Constable of Durham Constabulary

Joint Independent Audit Committee Annual Report 2021/22

Introduction

This is the annual report of the Joint Independent Audit Committee (JIAC) and covers the financial year 2021/22.

The Committee wish to welcome the new Police and Crime Commissioner (PCC) Mrs Joy Allen, who was successfully elected on 6th May 2021 to this position. The PCC attended the JIAC meeting on 22nd June 2021.

The report has been developed to enable the reader to form a view about the effectiveness of the Committee's activities during the year and its oversight of the Assurance and Risk Management Frameworks within which County Durham and Darlington's Police and Crime Commissioner and Durham Constabulary's Chief Constable (CC) operates.

The Chartered Institute of Public Finance and Accountancy (CIPFA) recommends that Audit Committees report on their work and assess their performance.

All audit Committees are non-executive bodies whose role is to make recommendations rather than to decide policies directly. The impact of the Committee is through influence and persuasion rather than direct decision making. The Committee's effectiveness does not depend on the delegation of powers. Police audit Committees in England and Wales can never be delegated decision-making or approval powers by the PCC or the chief constable.¹

The coronavirus pandemic brought disruption to people and businesses globally and this Joint Independent Audit Committee have remained dedicated and have adapted to modern methods of working throughout this time.

Background

The Joint Independent Audit Committee is an independent body which checks both Durham Constabulary and the PCC of Durham are following national and local regulations, handling public finances in accordance with the law and not taking undue risk.

It operates as a single Committee, providing assurance jointly both to the PCC and Chief Constable of County Durham and Darlington. It operates to a set of terms and reference reviewed annually.

The JIAC for County Durham and Darlington was established in April 2013.

¹ The Chartered Institute of Public Finance and Accountancy/audit committees

Practical Guidance for Local Authorities and Police

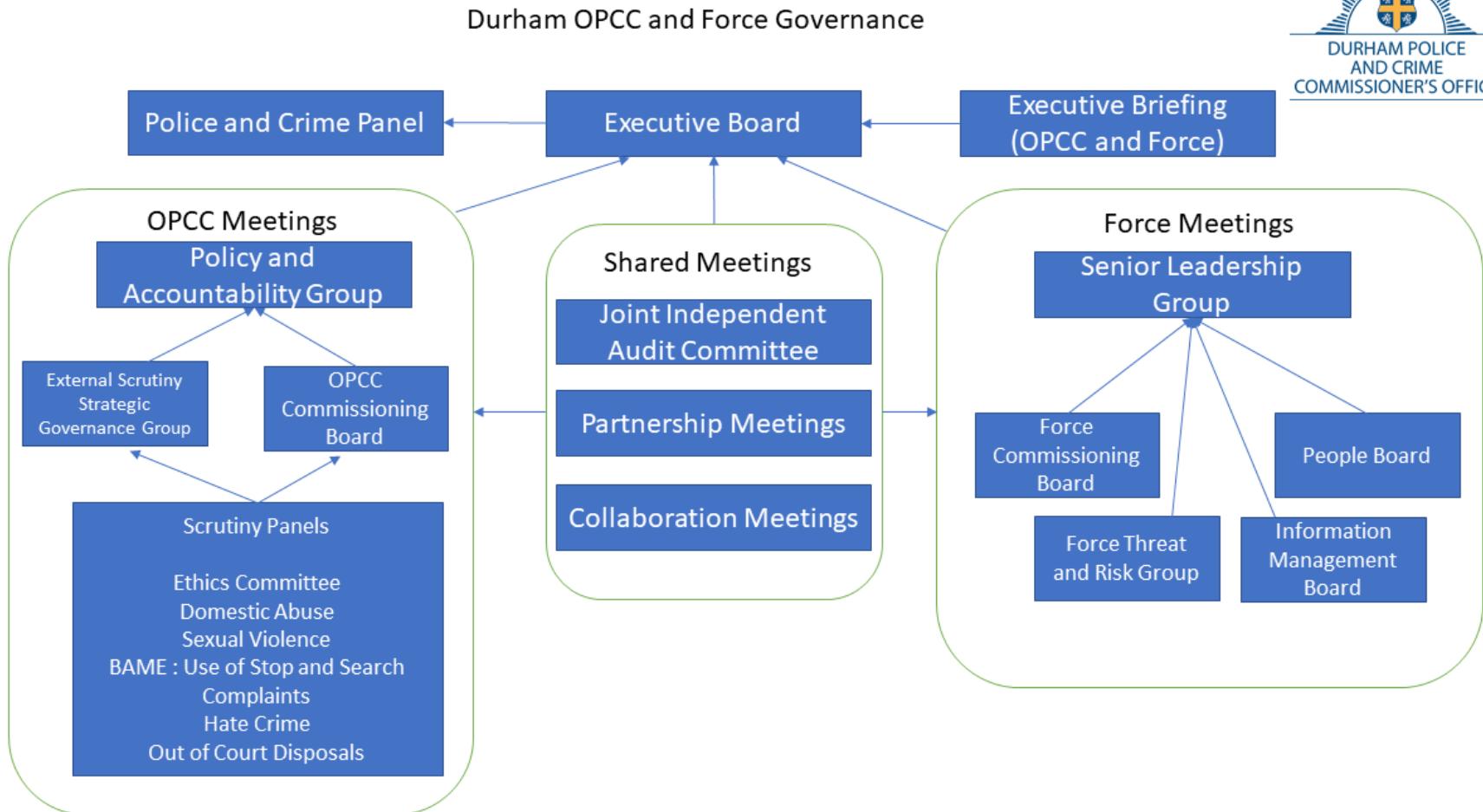
2018 Edition

Aims and Objectives

The primary aim of the Joint Independent Audit Committee is to support the achievement of the Police and Crime Plan by enhancing public trust and confidence in the governance of Durham Constabulary.

- The JIAC help improve the overall governance arrangements across the Police and Crime Commissioners Office and Durham Constabulary according to good governance principles and, in particular, provide assurance to the PCC and the CC on the effectiveness of the framework in place for ensuring compliance with statutory requirements.
- The JIAC help improve the adequacy and effectiveness of risk management framework and internal control environment in place across the Police and Crime Commissioners Office and Durham Constabulary by seeking reliable assurance from whoever is best placed to provide it and ensuring appropriate and timely action is taken to address any weaknesses identified.
- The JIAC help improve the financial integrity of financial planning and reporting, and the achievement of Value for Money (VfM), in the Police and Crime Commissioners Office, Durham Constabulary and partner organisations.
- The JIAC review and monitor treasury management arrangements in accordance with Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (CIPFA, 2017)

The diagram below shows the PCC's relationship with the Chief Constable, how the PCC is ultimately responsible to the public, and the additional scrutiny mechanisms which are in place in Durham.



Durham PCC Accountability Framework (taken from Durham PCC website)

Membership of the Committee and Attendance Record

The Committee members come from a range of backgrounds with a wide skillset.

The Committee is composed of the following members Mr Eddie Bell (Chair), Mr Mac Williams (Vice-Chair), Mrs Jenny Flynn, Mr Stephen Gowland, Dr Stuart Green, Mrs Diane Murphy, Mr Derek Shingleton, Dr Richard Scothon, Councillor Heather Scott nominated by Darlington Borough Council and Councillor Alex Watson nominated by Durham County Council. Mrs Diane Murphy resigned from the Committee in March 2022 due to full time working commitments. Chair commended Mrs Murphy for her valuable contribution during her service.

Membership	No. of meetings held	No. of meetings attended	% of meetings attended
Mr Eddie Bell (Chair)	8	8	100
Mr Mac Williams (Vice Chair)	8	6	75
Mrs Jenny Flynn	8	6	75
Mr Stephen Gowland (22/06/2021)	6	3	50
Dr Stuart Green	8	7	88
Mrs Diane Murphy	7	3	43
Dr Richard Scothon (22/06/2021)	7	6	86
Councillor Heather Scott	8	8	100
Mr Derek Shingleton	8	8	100
Councillor Alex Watson (20/7/2021)	6	5	84

Table: Members' attendance in 2021/22

Members are paid for their time. The remuneration rates for the financial year 2021/22 were: £112.75 for up to a 4-hour period, £164.00 between 4- & 6-hour period, £215.25 more than a 6-hour period. (Please note that following advice from Her Majesty's Revenue and Customs (HMRC) all payments are subject to Pay as You Earn deduction. There is a policy in place which is reviewed annually, and members are reimbursed accordingly after each meeting. At the meeting held on 22nd March 2022 all members agreed not to accept the proposed pay award.

Meetings 2021/22

The Committee met formally on eight occasions during 2021/22.

Date	Place	Time	Meeting

27/04/2021	Virtual Meeting	09:30 am	JIAC Training Day
22/06/2021	Virtual Meeting	12:00 pm	Joint Independent Audit
20/07/2021	Virtual Meeting	10:30 am	Joint Independent Audit
02/09/2021	Virtual Meeting	10:30 am	Joint Independent Audit
19/10/2021	Virtual Meeting	10:30 am	Joint Independent Audit
07/12/2021	Virtual Meeting	10:30 am	Joint Independent Audit
18/01/2022	Virtual Meeting	10:30 am	Joint Independent Audit
22/03/2022	Virtual Meeting	10:00 am	Joint Independent Audit

Table: Meetings held 2021/22

Eight committee members attended a webinar training session on 18th November specifically for police audit committee members, presented by Diana Melville and Alison Dewhirst from the Chartered Institute of Public Finance and Accountancy.

One declaration of interest was recorded during the financial year 2021/2022 which was in relation the Joint Chief Finance Officer role discussed at the JIAC meeting held on 22nd June 2021.

The JIAC meetings are also attended by the PCC's Chief Executive (as Monitoring Officer), the Joint Chief Finance Officer, Internal and External Auditors. Other officers attend in accordance with reporting requirements.

The Joint Independent Audit Committee Annual Report for 2020/21 was presented on 8th July 2021 at a virtual Executive Board to the Police and Crime Commissioner and the Chief Constable. The PCC and Chief Constable of Durham Constabulary welcomed this extra layer of assurance and accountability provided by this Committee.

The Work of the Committee in 2021/22

The Committee consider reports from officers and staff of the PCC or CC, and reports from internal and external auditors and request reports as felt necessary.

Training was given at the meeting held on 27th April from Internal Audit, External Audit, Professional Standards and Legal Services. Presentations on Durham Constabulary's control room and digital data and technology were shared with the Committee members.

A full list of reports and presentations reviewed/requested by the JIAC in 2021/22:

- Allowance Review of Joint Independent Audit Members Expenses
- Annual Report 2020/21 (JIAC)
- Budget Outturn 2020/21
- Budget Monitoring
- Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management Code (seminar 18th November 2021)
- Code of Corporate Governance Framework Refresh

- Collaboration Updates
- Commissioning Updates
- Compliance with CIPFA Financial Management Code
- Covid-19 Service Impact and Reflection
- Custody/Investigative Hub Updates
- Durham Constabulary - Control Room Presentation
- Durham Constabulary - Digital Data and Technology (DDAT) Leadership Presentation
- Durham Constabulary - Estates Action Plan
- Durham Constabulary – Red Sigma Update
- Evaluation of Complaints Resolution Team
- External Audit Progress Report
- Finance - Short term investments and short-term borrowings (including training)
- Fraud and Corruption Annual Report 2020/21
- Gift & Hospitality Registers CC & PCC
- Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Inspection Plans & Efficiency Review Process
- Independent Review of Local Authority Financial Reporting and Audit (Redmond Review)
- Internal Audit - Annual Governance Statements & Action Plans
- Internal Audit - Annual Fraud and Corruption Report
- Internal Audit - Progress Report
- Internal Audit - Annual Internal Audit Opinion Report 2021/22
- Internal Audit - Annual Review of the System of Internal Audit 2021
- Internal Audit - Internal Audit Plan 2022/23
- Internal Audit - Internal Audit Charter
- Internal Audit – Ethical Culture – PDR culture
- PCC Decision Records 2021
- PCC Staffing Update
- Police and Crime Plan
- Police Officer Uplift
- Professional Standards & Legal Services Updates
- Rape Scrutiny
- Redmond Review
- Register of Interests
- Review of Joint Chief Finance Officer Role
- Risk Registers & Plan on a Page for Chief Constable and PCC
- Self-Assessment on Effectiveness of the Committee and Members (JIAC)

- Terms of Reference Review (Joint Independent Audit)
- Treasury Management Reports (including training)

The JIAC questions and challenges the staff on the reports it receives and any other matters arising. It aims to add value to the work of the PCC and CC by posing these questions in a constructive manner. Where follow up action is agreed as necessary, this is noted in a forward plan/action log and added to the appropriate meeting.

The Committee is accountable to the PCC and the Chief Constable. CIPFA's Practical Guidance for Local Authorities and Police Audit Committees sets the criteria for this accountability which forms the basis of this report.

The criteria is as follow:



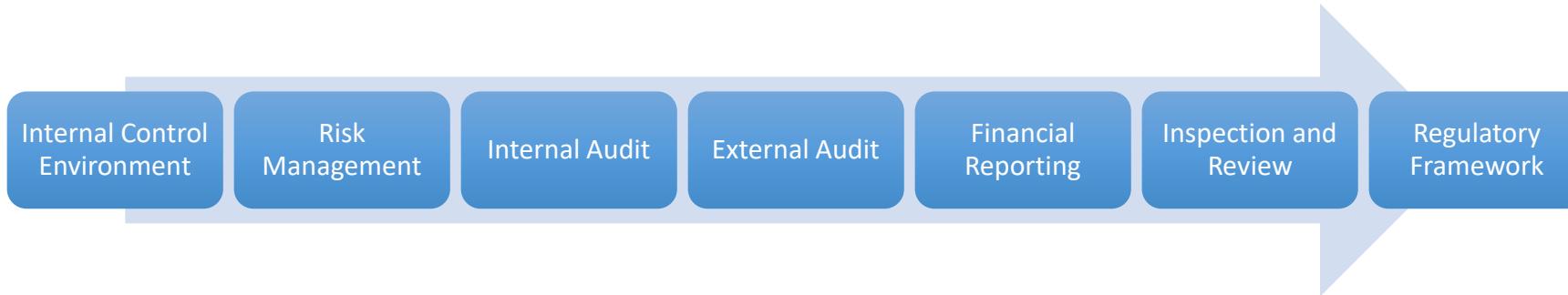
Has the Committee fulfilled its terms of reference?

The Committee's terms of reference were reviewed. Details can be found on the PCC website.

The specific objectives of the Committee during 2021/22 was to oversee the following arrangements:

- Internal Control Environment

- Risk Management
- Internal Audit
- External Audit
- Financial Reporting
- Inspection and Review
- Regulatory Framework



The Committee has met its requirements through the year. A total of 68 reports were considered the details of which are provided in Appendix 1. The key activities are summarised below:

- **Internal Control Environment** - The Committee-maintained oversight of the preparation of Annual Governance Statements for the PCC and Chief Constable, which are consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government. The Annual Governance Statements were considered by the Committee prior to their final production. The Committee also considered the robustness of the internal control environment through reports from both internal and external audit.
- **Risk Management** - The risk registers presented throughout 2021/22 focused on the most strategic risks.
- **Internal Audit** - Internal Audit activities were reviewed with updates on agreed plans, performance of the internal audit team and significant findings from those audits with a “limited” opinion being considered. The internal audit findings considered by the Committee continue to be wide ranging.

In addition, updates on internal audit's compliance against the Public Sector Internal Audit Standards (PSIAS) have also been deliberated. The PSIAS require that an annual review of the effectiveness of Internal Audit is carried out, with an external assessment every five years.

In February 2022, an external quality assessment (EQA) for Internal Audit was carried out by CIPFA. In March 2022, the final report was received which confirmed that Durham County Councils Internal Audit department are fully PSIAS compliant.

In March 2022, the Committee endorsed the Internal Audit Strategy and Audit Charter and the Work Programme for 2022/23.

- **External Audit** – External audit activity throughout 2022/23 has been limited due to staffing issues. The Chair and members raised concerns on the performance of external audit against their pre-defined Key Performance Indicators.
- **Financial Reporting** – Statements of Accounts were reviewed prior to their final production in addition to the Committee considering the related external auditor's report. Members reviewed the HMICFRS value for money outcomes that are published annually.
- **Inspection and Review** – Regular updates from HMICFRS inspections were considered, which include details of recommendations or improvement actions and grading's awarded for each inspection. Where relevant, the Committee asked for additional information and updates to be provided.
- **Regulatory Framework** - Specific aspects of the regulatory framework, such a review of Accounting Policies, Treasury Management Strategy, Anti-Fraud and Corruption arrangements etc. have taken place during the year. The annual effectiveness review of anti-fraud and corruption arrangements included an update on internal investigations undertaken by the Professional Standards Department, providing oversight on matters of conduct and behaviour. The Committee has maintained an overview in respect of financial regulations and contract standing orders through the assurance work provided by internal audit during the year on key financial systems.

Has the Committee adopted recommended practice?

As part of its annual review, the Committee reviewed its performance against good practices identified by CIPFA. The review shows the Committee is following good practice in the way it operates. (Appendix 2).

Has the Committee assessed its own effectiveness or been the subject of a review?

The Committee considered and accepted the benefit of undertaking a further self-assessment against the CIPFA requirements during 2021/22. This will determine whether any further training is required for new and existing members.

The Committee has assessed its own effectiveness based on CIPFA guidance (Appendix 3).

Have the development needs of Committee members been assessed and are they accessing briefing and training opportunities?

The Chair has a forward planning mechanism and holds regular pre meetings with the Chief Executive and Joint Chief Finance Officer. The forward plan is updated at these meetings, and this informs the agenda of upcoming meetings.

JIAC members received training and development in their roles and an induction seminar took place for new and existing Committee members on 27th April 2021.

The outcomes outlined from the training day was the members felt they would benefit from refresher training *in arrangements for the appointment of External Audit, Risk Management (including sight of the policy and strategy), and the overview of the governance structures of the PCC office and Durham Constabulary (decision making processes, knowledge of the organisational objectives and major function of the organisations). Also new members requested training on the Audit Committees role and functions, counter fraud, the seven principles of public life, and members felt that they understood the reports but clearer communication mechanisms need to be in place so members of the public understand, and they should be less use of acronyms and a wider use of plain English.* These topics are on the agenda for the training day to be held 10th May 2022.

What impact has the Committee had on the improvement of governance, risk and control?

A wide range of issues were considered by the Committee during the year, providing independent scrutiny of the PCC and the Chief Constable. The Committee has made an impact on the governance of both organisations as demonstrated in the following examples.

- The Committee has identified areas where briefings and training were required to fulfil its role. It has received reports or presentations on a range of areas including the budget setting process. This provides assurance on these arrangements.
- The Committee has played a key role in reviewing the annual accounts and annual governance statements, providing assurance to the PCC and Chief Constable before they formally approve these documents.
- The Committee monitors the performance of the internal and external auditors and members have continued to actively participate in nationally held PSAA Local Audit Quality Forum events and receive updates on the Future of Local Government Audit.
- The Committee were briefed on the Scheme of Corporate Governance Framework, which sets out how the PCC and the Chief Constable conduct their organisations business both jointly and separately.

The Chief Constable and PCC are ‘those charged with governance’ the Committee’s role is non-executive and purely advisory.

The influential audit Committee has the potential to be a valuable resource to the whole organisation. Where it operates effectively, an audit Committee can add value to its organisation by supporting improvement across a range of objectives. To achieve wide-ranging influence, an audit Committee will need commitment and energy from membership together with support and openness from the organisation.



Source: *Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013)*

Committee's Conclusions on Governance

The Committee's primary contribution to the PCC's and Chief Constables strategic objectives is to ensure the governance, control, risk management and audit systems which underpin the work of the PCC, and Durham Constabulary are sound, reliable, robust, and secure.

This annual report sets out how the Committee fulfilled these responsibilities in the financial year 2021/22.

The Committee reviewed its effectiveness against its terms of reference and has continued to develop the areas for improvement identified in the self-assessment undertaken in April 2021, against the revised CIPFA Practical Guidance for Local Authorities and Police Audit Committees.

The Committee continues to recognise the significant challenges facing the Police and Crime Commissioner and the Chief Constable and aims to promote and support good governance. Any advice offered will be considerate of these challenges.

The continued openness of the Police and Crime Commissioner and Chief Constable and the value they place on the work of the Joint Independent Audit Committee in assisting them to provide best value to the public is acknowledged. I was especially grateful for the flexible and swift response from the Police and Crime Commissioners Office to the changes in Committee membership, which has allowed us to maintain excellent levels of attendance throughout the year.

To conclude, on behalf of the Committee, I would like to thank the officers of the Police and Crime Commissioner and Durham Constabulary, Internal Audit (Durham County Council) and External Audit (Mazars) for their cooperation in challenging times. They were essential in ensuring that the Joint Independent Audit Committee was able to function effectively and fulfil its role during 2021/22.

Edward Bell

Chair Joint Independent Audit Committee 2021/22

Appendix 1

Joint Independent Audit Committee: Items Covered & Members Attendance 2021/22

	27 th April 2021 Training Day	22 nd June 2021	20 th July 2021	2 nd Sept. 2021	19 th Oct 2021	7 th Dec 2021	18 th Jan 2022	22nd Mar 2022
Governance /Risk Management	PCC Election Update & PCC Office staff functions Draft JIAC Annual Report 2020/21 Durham Constabulary Control Room Presentation Professional Standards Digital Leadership PCC Elections		PCC Risk Register		CC & PCC Risk Register Professional Standards update	PCC Staffing Update	PCC Staffing Update	PCC Staffing Update Professional Standards update Corporate Governance Framework briefing Red Sigma update Gift & Hospitality Register Register of Interests

Internal Audit (IA) Internal Control Environment	Self-assessment on Effectiveness of Committee and Members Progress Report Q4 2020/21 Annual IA Opinion 2020/21 Annual Governance Statement (AGS) Action Plan 2019/2020 Draft AGS Fraud and Corruption Annual Report 2020/21 Annual Review of the System of IA 2021	Self-assessment on Effectiveness of Committee and Members Progress Report 2021/22 Final AGS Final AGS Progress Report 2021/22 Independent Review of Local Authority Financial Reporting and Audit report (Redmond Review) IA Progress Report Annual Governance Statement 20/21 action plan	IA Plan 2022/23 IA Charter IA Ethical Culture – PDR process
External Audit (EA)	Audit Strategy Memorandum and Overview of Mazars		Progress Report (EA)

Inspection and Review	Covid Model and Reflection Police Officer Uplift Draft JIAC Annual Report 2020/21	Review of the Independent Audit Committee Effectiveness JIAC Annual Report 2020/21 Review JIAC Terms of Reference Review of Joint Chief Finance Officer Role Custody and Investigative Hub update	Investigative Hub Update Draft Police and Crime Plan	Investigative Hub update Durham Constabulary Estate Action Plan Deep Dive: Rape	Investigative Hub update HMICFRS Efficiency Review Process	Investigative Hub update Update on the Independent Review of Local Authority Financial Reporting and Audit (Redmond Review)	Investigative Hub update	Investigative Hub/Estates update
Regulatory Framework / Financial Reporting	Treasury Management Finance and Budgets		Treasury Management CIPFA Financial Management Code	Budget Outturn 2020/21 Budget Monitoring 2021/22 CIPFA Financial Management Code Compliance	Budget Monitoring Report Investment Strategy Short Term Investments & Borrowings			Budget Setting & MTFP JIAC Expense Review
Members Attendance								
Eddie Bell (Chair)	Y	Y	Y	Y	Y	Y	Y	Y
Mac Williams (Vice Chair)	Y	Y	Y	Apologies	Apologies	Y	Y	Y
Jenny Flynn	Y	Y	Y	Y	Y	Y	Apologies	Apologies

Stephen Gowland	Not in post	Not in post	Apologies	Y	Y	Apologies	Y	Apologies
Stuart Green	Y	Y	Y	Apologies	Y	Y	Y	Y
Diane Murphy	Y	Apologies	Apologies	Y	Y	Apologies	Apologies	Resigned
Derek Shingleton	Y	Y	Y	Y	Y	Y	Y	Y
Richard Scothon	Not in post	Y	Apologies	Y	Y	Y	Y	Y
Cllr Heather Scott	Y	Y	Y	Y	Y	Y	Y	Y
Cllr Alex Watson	Not in post	Not in post	Y	Y	Apologies	Y	Y	Y

Appendix 2

Self-Assessment of Good Practice During 2021/22

(Based on Appendix D of CIPFA's "Audit Committees - Practical Guidance for Local Authorities and Police")

Completed by Joint CFO Mr Gary Ridley, Mr Charles Oakley and Durham County Council Chief Internal Auditor and Corporate Fraud Manager Miss Tracy Henderson

Good practice questions	Yes	Partly	No	Comment
Audit Committee Purpose and Governance				
1. Do the organisations have a dedicated audit committee?	X			
2. Does the audit committee report directly to full council? (local government only).	N/A	N/A	N/A	
3. Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	X			ToR revised July 2020 to reflect CIPFA position statement
4. Is the role and purpose of the audit committee understood and accepted across the organisations?		X		Understood by those Officers / Staff who report to / support Committee
5. Does the audit committee provide support to both organisations in meeting the requirements of good governance?	X			
6. Are the arrangements to hold the committee to account for its performance operating satisfactorily?	X			External audit, internal audit and the Committee Chair also periodically attend Executive Board where they can discuss relevant issues.
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, including partnership and collaboration arrangements	X			
• Internal Audit	X			
• External Audit	X			
• Financial Reporting	X			
• Risk Management	X			
• Value for Money (VfM) or Best Value	X			
• Counter-fraud and corruption	X			

Good practice questions	Yes	Partly	No	Comment
• Supporting the ethical framework	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			Annual Review of ToR Annual Review of System of Internal Audit Joint Audit Committee Annual Report
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?	X			
10. Where coverage of core areas has been found to be limited, are plans in place to address this?	N/A	N/A	N/A	No issues with coverage of core areas
11. Has the committee maintained its advisory role by not taking on any decision-making powers that are not in line with its core purpose?	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• consideration has been given to the inclusion of at least one independent member (where it is not already a mandatory requirement)	X X X X			
13. Have independent members appointed to the committee been recruited in an open and transparent way and approved by the PCVC and Chief Constable as appropriate for the organisation.	X			
14. Does the chair of the committee have appropriate knowledge and skills?	X			
15. Are arrangements in place to support the committee with briefings and training?	X			
16. Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?		X		Initial assessment in 2018/19, extended in 2019/20 and reviewed at Member training event April 2021 and again at May 2022 where Members requested to complete own skills framework document
17. Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer (CFO)?	X			
18. Is adequate secretariat and administrative support to the committee provided?	X			

Good practice questions	Yes	Partly	No	Comment
Effectiveness of the Committee				
19. Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	X			
20. Are meetings effective with a good level of discussion and engagement from all members?	X			
21. Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with responsible officers?	X			
22. Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	X			
23. Has the committee evaluated whether and how it is adding value to the organisation?	X			Joint Audit Committee Annual Report
24. Does the committee have an action plan to improve any areas of weakness?	X			Joint Audit Committee Annual Report
25. Does the committee publish an annual report to account for its performance and explain its work	X			Joint Audit Committee Annual Report

Appendix 3

Evaluating the Effectiveness of the Audit Committee

Audit Committee Members Assessment – Knowledge and Skills Framework

(Based on Appendix C of CIPFA's "Audit Committees - Practical Guidance for Local Authorities and Police")

Completed by Tracy Henderson DCC Chief Internal Auditor and Corporate Fraud Manager 16 May 2022

Knowledge Area	Details of core knowledge required	How the Audit Committee member is to apply the knowledge/training need	Yes	No	Partly	Comment
Organisational Knowledge	<ul style="list-style-type: none"> • An overview of the governance structures of the organisations and decision-making processes. • Knowledge of the organisational objectives and major functions of the organisations. 	This knowledge will be core to most activities of the audit committee including review of the AGS, internal and external audit reports and risk registers.	Yes Yes			Committee considers a wide range of activities including those linked to organisational objectives, functions and governance.
Audit committee role and functions	<ul style="list-style-type: none"> • 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. • Knowledge of the purpose and role of the audit committee. 	This knowledge will enable the audit committee to prioritise its work in order to ensure it discharges its responsibilities under its terms of reference and to avoid overlapping the work of others.	Yes		Yes	<p>Audit Committees: Practical Guidance for Local Authorities and Police 2018 Report considered meeting April 2019 Committee Knowledge, purpose and Terms of Reference considered at a training event in May 2019. Terms of Reference revised as a result and are brought back to the Committee on a regular basis for approval.</p> <p>New Member benefited from refresher training provided on 10 May 2022</p>
Governance	<ul style="list-style-type: none"> • Knowledge of the seven principles of the CIPFA/Solace Good Governance Framework and the requirements of 	The committee will review the local code of governance and consider how governance	Yes			The Committee reviewed the local code of governance as part

Knowledge Area	Details of core knowledge required	How the Audit Committee member is to apply the knowledge/training need	Yes	No	Partly	Comment
	<p>the Annual Governance Statement (AGS).</p> <ul style="list-style-type: none"> • Knowledge of the local code of governance. 	<p>arrangements align to the principles in the framework. The committee will plan the assurances it is to receive in order to adequately support the AGS.</p> <p>The committee will review the AGS and consider how the authority is meeting the principles of good governance.</p>				<p>of its work programme for 2021/2022</p> <p>The Committee receives assurances from the wide range of reports it receives from officers and both internal and external audit.</p> <p>The Committee reviews the AGS in Draft and Final formats and receives progress updates on actions raised within the governance action plan.</p> <p>Members benefited from refresher training provided on 10 May 2022</p>
Internal Audit	<ul style="list-style-type: none"> • An awareness of the key principles of the Public Sector Internal Audit Standards and the Local Government Application Note. • Knowledge of the arrangements for delivery of the internal audit service in the organisations and how the role of the head of internal audit is fulfilled. 	<p>The audit committee has oversight of the internal audit function and will monitor its adherence to professional internal audit standards</p> <p>The audit committee will review the assurances from internal audit work and will review the risk-based audit plan. The committee will also receive the annual report, including an opinion and information on conformance with professional standards</p> <p>In relying on the work of internal audit, the committee will need</p>	Yes			<p>The Committee received a report from the Chief Internal Auditor which outlined the key principles of PSIAS and the LGAN.</p> <p>The Committee will receive an Annual Report and Opinion from the Chief Internal Auditor and an Annual Effectiveness Report which identifies how the Internal Audit Service has conformed with professional standards.</p> <p>The external assessment was undertaken in 2022 and the</p>

Knowledge Area	Details of core knowledge required	How the Audit Committee member is to apply the knowledge/training need	Yes	No	Partly	Comment
		to be confident that professional standards are being followed The audit committee chair is likely to be interviewed as part of the external quality assessment and the committee will receive the outcome of the assessment and action plan.				outcome will be reported within the above reports for 2021/22.
Financial management and accounting	<ul style="list-style-type: none"> • Awareness of the financial statements that the local organisations must produce and the principles it must follow to produce them. • Understanding of good financial management principles. • Knowledge of how the organisation meets the requirements of the role of the chief financial officer, as required by the Role of the Chief Financial Officer in Local Government (CIPFA, 2016) and the CIPFA Statement on the Role of the Chief Financial Officers in Policing (2018) 	<p>Reviewing the financial statements prior to publication, asking questions</p> <p>Receiving the external audit report and opinion on the financial audit</p> <p>Reviewing both external and internal audit recommendations relating to financial management controls</p> <p>The audit committee should consider the role of the CFO and how this is met when reviewing the AGS</p>	Yes			<p>Review of financial statements is part of the Terms of Reference for the Committee. The Committee receives financial reports from the Joint CFO and the External Audit report and opinion.</p> <p>The Committee considers the role of the Joint CFO and Safeguarding Protocol on an annual basis.</p> <p>Members benefited from refresher training provided on 10 May 2022</p>
External audit	<ul style="list-style-type: none"> • Knowledge of the role and functions of the external auditor and who currently undertakes this role. Knowledge of the key reports and assurances that external audit will provide. 	<p>The audit committee should meet with the external auditor regularly and receive their reports and opinions.</p> <p>Monitoring external audit recommendations and maximising benefit from audit process.</p> <p>The audit committee should monitor the relationship</p>	Yes		Yes	<p>The Committee considers the Audit Strategy Memorandum and regular progress reports and Annual report from External Audit.</p>

Knowledge Area	Details of core knowledge required	How the Audit Committee member is to apply the knowledge/training need	Yes	No	Partly	Comment
	<ul style="list-style-type: none"> Knowledge about arrangements for the appointment of auditors and quality monitoring undertaken. 	between the external auditor and the authority and support the delivery of an effective service.				Arrangements for appointment of External Audit are considered at the appropriate time.
Risk management	<ul style="list-style-type: none"> Understanding of the principles of risk management, including linkage to good governance and decision making. Knowledge of the risk management policy and strategy of the organisation. Understanding of risk governance arrangements, including the role of members and of the audit committee. 	<p>In reviewing the AGS, the committee will consider the robustness of the authority's risk management arrangements and should also have awareness of the major risks the authority faces</p> <p>Keeping up to date with the risk profile is necessary to support the review of a number of audit committee agenda items, including the risk-based internal audit plan, external audit plans and the explanatory foreword of the accounts</p> <p>Typically risk registers will be used to inform the committee</p> <p>The committee should also review reports and action plans to develop the application of risk management practice</p>	Yes		Yes	<p>Committee receives regular reports for consideration from Force and OPCC with respective risk registers.</p> <p>Robustness of risk management arrangements is considered as part of AGS discussion.</p> <p>New Member benefited from refresher training provided on 10 May 2022</p>
Counter-fraud	<ul style="list-style-type: none"> An understanding of the main areas of fraud risk the organisation is exposed. Knowledge of the principles of good fraud risk management in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014) 	Knowledge of fraud risks and good fraud risk management practice will be helpful when the committee reviews the organisation's fraud strategy and receives reports on the effectiveness of that strategy	Yes		Yes	The Committee receives an Annual report from the Chief Internal Auditor outlining the work the service has undertaken in year considering Force / OPCC fraud risk management framework and associated

Knowledge Area	Details of core knowledge required	How the Audit Committee member is to apply the knowledge/training need	Yes	No	Partly	Comment
	<ul style="list-style-type: none"> • Knowledge of the organisation's arrangements for tackling fraud. 	<p>An assessment of arrangements should support the AGS, and knowledge of good fraud risk management practice will support the audit committee member in reviewing that assessment</p>				<p>documents and including examples, as applicable, of where fraud has been identified in specific categories such as payroll, procurement, expenses, flexitime abuse etc. The Committee also receives from Internal Audit, the outcome from the NFI exercise which is undertaken every 2 years.</p> <p>The Committee receives reports from Force Professional Standards.</p> <p>New Member benefited from refresher training provided on 10 May 2022</p>
Values of good governance	<ul style="list-style-type: none"> • Knowledge of the Seven Principles of Public Life. • Knowledge of the organisation's key arrangements to uphold ethical standards for both members and staff. • Knowledge of the whistleblowing arrangements in the organisations. 	<p>The audit committee member will draw on this knowledge when reviewing governance issues and the AGS</p> <p>Oversight of the effectiveness of whistleblowing will be considered as part of the AGS.</p> <p>The audit committee member should know to whom concerns should be reported.</p>	Yes		Yes	<p>Seven Principles of Public Life are referenced in the Internal Audit Charter.</p> <p>Periodic reports received from Officers and internal Audit in relation to Ethical Standards and whistleblowing arrangements.</p> <p>Members benefited from refresher training provided on 10 May 2022</p>
Treasury Management	<ul style="list-style-type: none"> • Effective Scrutiny of Treasury Management is an assessment tool for reviewing the arrangement for undertaking scrutiny of treasury 	<p>Core knowledge on treasury management is essential for the committee undertaking the role of scrutiny</p>	Yes			<p>Member Training events and Treasury Management Update Reports</p>

Knowledge Area	Details of core knowledge required	How the Audit Committee member is to apply the knowledge/training need	Yes	No	Partly	Comment
	<p>management. The key knowledge areas identified are:</p> <p>Regulatory requirements</p> <ul style="list-style-type: none"> ○ Treasury risks ○ The organisation's treasury management strategy ○ The organisations policies and procedures in relation to treasury management. 					Members benefited from refresher training provided on 10 May 2022