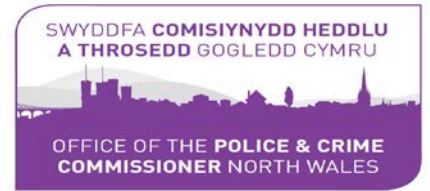




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NORTH WALES POLICE
A safer North Wales



Annual Report of the Joint Audit Committee

2019 / 20

Annual Report of the Joint Audit Committee – 2019 / 20

Index

Statement from Chair

- 1. Overview**
- 2. Work of the Committee during 2019/20**
- 3. Internal Audit**
- 4. External Audit**
- 5. Areas of Focus**
- 6. Governance**
- 7. Risk Management & Controls**
- 8. Value for Money**
- 9. Financial Reporting**
- 10. Raising Concerns**
- 11. 2020/21 Forward Plan and Meeting Dates**

Annual Report of the Joint Audit Committee - 2019/20

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 2019 to 31st March 2020.

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

Name
Rachel Barber
John Cunliffe
Claire Hodson
Dianne Walker
Jim Illidge (resigned November 2019)

Jim Illidge served as Chair until stepping down in November 2019, at which point I took on the role.

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').

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 2019/20, there were no significant issues raised by the Committee to the OPCC or NWP Chief Constable ('NWPC').

As well as relying on the reports of the external auditors, the Welsh Audit Office, (the 'WAO') on the year end annual report and accounts for 18/19, 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 during the year were:-

Term	Position	Name
1 April '19 – 31 March 2020	Chief Finance Officer - PCC	Kate Jackson
1 April '19 – 30 th October 2020	Director of Finance & Resources - NWP	Richard Muirhead
1 Nov '19 – 17 Nov '19	Head of Finance – Deputy Finance Officer	Guto Edwards
18 Nov '19 – 31 March 2020	Director of Finance & Resources - NWP	Seb Phillips

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, and significant adjustments resulting from audit for the 18/19 annual report

- Receiving assurance on compliance with the policy on standards of business conduct
- Receiving assurance on the process undertaken for the development of the annual report
- Stimulating the review and approach to risk management
- Instigating and reviewing the progress and outcomes of the Governance project to achieve an outcome of effective, efficient and robust governance arrangements and structures.

I would like to express my appreciation to all support staff and senior officers who have guided the JAC through its oversight. Also I thank the external and internal auditors, the teams from the WAO 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 Force.

Rachel Barber
Chair of Joint Audit Committee

April 2020

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.

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 2019-20 The Committee met in public on four occasions in accordance with its planned schedule:-

- 31 July 2019
- 23 September 2019
- 28 November 2019
- 9 March 2020

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 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 2019/20

Throughout 2019/20, 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 development themes featured at meetings during the year included:

- Oversight of the Governance Review

- Further development of the Risk Assurance processes
- The framework of the Ethics Committee to support ethical decision making
- A review of the Fleet Management Strategy
- A review of the Procurement and Contract Management
- 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 2019/20 and the outcome of these audits, together with the planned schedule of audit for each of the years to March 2023.

A performance self-evaluation review was undertaken at the end of the JAC's first year between March and May 2019. Each JAC member and the Finance Officers had a structured discussion with the JAC Chair. Agreed improvements have been shared and allocated for action and a follow up exercise is being conducted at the date of this report.

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.

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 19/20, have suggested amendments to the programme which have been incorporated. Two audits were postponed during the year with the agreement of the JAC. It was confirmed that the Police and Crime Commissioner and the Chief Constable were content that these days, unused, were carried forward to 2020/21.

In March 2020 the Committee reviewed and approved the 2020/21 internal audit strategy and annual internal audit plan.

4. External Audit

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

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 Joint Audit Committee to ask questions and seek advice as necessary. The key risks identified that might impact the financial statements in 2018/19 included the management override of controls.

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 2019/20 was £86,866 plus VAT.

At the March 2020 meeting the Committee reviewed and approved the Welsh Audit Office 2020/21 annual plan. The external audit fee will be £83,866. As the JAC prepares for the work of the Welsh Audit Office during 2020/21 the Welsh Audit Shared the key risks as follows: Management Override of controls, McCloud Judgement and impact on pensions and IFRS16 leases, post implementation risks.

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, Risk
John Cunliffe	IT Systems & cyber security
Dianne Walker, FCA	Financial reporting
Jim Illidge	Chair

6. Governance

The initial draft of the annual governance statement in respect of 2018-19 was received and discussed by the JAC at its meeting on 21 March 2019. Members of the JAC and Internal Audit commented on this draft in time for any amendments to be incorporated before its final presentation to the JAC at its meeting on 30 July 2019. The completed and final annual governance statement was received by the JAC at its meeting on 30th July 2019. The initial draft of the annual governance statement on respect of 2019/20 Statutory

Accounts was received and discussed at the meeting on 9th March 2020.

The Joint Governance Board met during 2019- 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. At the meeting of the Joint Governance Board on 3th August 2019 it was resolved to merge the work of this board with the work of North Wales Police Assurance Board with the intention to streamline the process. During 2019/20 a Governance Review project, instigated by the JAC, commenced to achieve an outcome of effective, efficient and robust governance arrangements and structures. As part of this review the Joint Governance Board was reinstated in March 2020. A number of recommendations were identified during the Governance Review, in developing and updating governance, which will be monitored by the Committee during 2020/21.

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.

During the early part of 2019/20 the Committee raised continuing concerns about the OPCC and Forces approach to risk and assurance. This culminated in a further workshop session in December 2019 between the JAC, Chief Executive, and key staff. Key actions were agreed at this meeting and greater assurance was provided in January 2020 and formally at the meeting in March 2020. A number of next steps have been 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 to deliver improvements. This will be monitored by the Committee during 2020/21.

At the time of writing, the Coronavirus pandemic is with us. During 2020/21 JAC will review how this is considered in the management of risk in the short and long term.

8. Value for Money

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 value for money and review assurances and assessments on the effectiveness of these arrangements. JAC has asked for further information, at the 9th March meeting, on how Value for Money is achieved and if the Value for Money policy has been reviewed and updated. The response will be monitored by the Committee during 2020/21.

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 2018/19 Statutory Accounts include the following:

- the Finance Officers of the PCC and the Chief Constable 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 July 2019.
- the Committee reviewed the Annual Report (including the Annual Governance Statement), Annual Financial Statements and Quality Account 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.

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.

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 2019/20, the JAC received assurance against the system for raising concerns as part of its schedule of business. This will continue into 2020/21.

11. 2020/21 Forward Plan and Meeting dates

During 2020/21 the JAC will deliver upon its Terms of reference and more specifically:

- Track and review progress of Governance review action plan
- Monitor the delivery of the agreed next steps to strengthen the approach to Risk management and controls. Management and embedding this into the culture of the organisation
- Review how value for money is measured and achieved.
- Deliver the action plan derived from its annual self-evaluation effectiveness review

The JAC has four meetings planned during 2020-21 financial year:-

- 30th July 2020
- 5th October 2020
- 10th December 2020
- March 2021 (date tbc)

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

Annual Report of the Joint Audit Committee – 2019 / 20

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

FORCE OFFICERS:	
Seb Phillips	Director of Finance and Resources
Guto Edwards	Head of Finance
Helen Williams	Financial Control Accountant
T/Chief Super Simon Williams	Corporate Services
Super Paul Jones	Corporate Services
Anne Matthews	Finance and Budgets Officer
Chief Insp Andy Griffiths	Audit & Inspection Team
Darren Griffiths	Interim Governance Manger
OFFICE OF THE POLICE AND CRIME COMMISSIONER:	
Stephen Hughes	Chief Executive Officer
Kate Jackson	Chief Finance Officer
Angharad Jones	PA to the Chief Executive
By Invitation	
Derwyn Owen	Wales Audit Office
Michelle Phoenix	Wales Audit Office
Helen Cargill	TIAA

Annual Report of the Joint Audit Committee – 2019 / 20

Appendix C: Progress against work plan 2019-2020

System	Planned Quarter	Days	Current Status	Comments
Central Command Unit	1	8	Final report issued 16 th May 2019	Presented to July 2019 JAC
Governance – Community Engagement	1	10	Final report issued 17 th July 2019.	Presented to September 2019 JAC
Fixed Assets	1	6	Final report issued 29 th July 2019	Presented to September 2019 JAC
Treasury Management	3	6	Final report issued 20 th September 2019	Presented to November 2019 JAC
Uncertainty Management – Mitigating Controls	3	4	Final report issued 30 th September 2019	Presented to November 2019 JAC
Budgetary Control	3	6	Final report issued 8 th October 2019	Presented to November 2019 JAC
General Ledger	3	6	Final report issued 13 th December 2019	
HR Management – Wellbeing Strategy	1	7	Final report issued 2 nd January 2020	
Capital Programme	4	8	Final report issued 6 th February 2020	
Governance – Corporate Communications	3 4	10	Planned 11 th November 2019 – rearranged to 23 rd March 2020	APM issued but audit delayed at Management's request to the end of quarter 4
Contract Management (Building / ICT / Services / Operational Project)	2	6	Audit postponed – 6 days to be transferred to contingency	Discussed with Management who have requested that the days are transferred to contingency due to the number of similar audits undertaken in the past year.
Collaborations	2	8	Audit postponed – 8 days to be transferred to contingency	This has been delayed at Management's request because of the WAO collaborative audit.
ICT Change Management	3 4	8	Planned 9 th December 2019 – now taking place w/c 10 th February 2020	Deferred due to non-availability of IT staff on proposed date. APM issued and new date confirmed.
Risk Management – Board Assurance	4	8	Planned 17 th February 2020	APM issued
Follow-up	4	6	Planned 2 nd March 2019	APM issued

Annual Report of the Joint Audit Committee – 2019 / 20

System	Planned Quarter	Days	Current Status	Comments
Cyber Security	4	8	Planned 16 th March 2020	APM issued
Contingency	TBC	13	5 days – Rapid Access Prescribing	A further 14 days to be added from audits postponed at client's request. Current balance is therefore 22 days.
Liaison with Wales Audit Office	1-4	2		
Annual Planning	1	4	Final Collaborative Plan issued	
Annual Report	4	4		
Management, Planning & Joint Audit Committee Reporting/Support	1-4	22		
Collaborative Audits				
Estate Management - Delivery Lead Force – North Wales	2	6	Final report issued on 16 th January 2020	Lead Force – North Wales
Debtors Lead Force – Dyfed Powys	3	5	Final report issued to Lead Force on 18 th December 2019	Lead Force – Dyfed Powys
Payroll Lead Force – South Wales	3	6	Final report issued to Lead Force on 28 th January 2020	Lead force – South Wales - commencing 28 th November 2019 APM issued 14 th August 2019
Creditors Lead Force – Gwent Police	3	6	Draft report issued to Lead Force on 12 th December 2019	Lead force – Gwent Police – commencing 14 th October 2019
Collaborative Review – Single Online Home Lead Force – North Wales	3	5	Draft report issued 9 th January 2020	Lead force – North Wales – commencing 11 th November 2019 APM issued 2 nd October 2019

KEY:

	=	To be commenced
	=	Site work commenced
	=	Draft report issued
	=	Final report issued

Annual Report of the Joint Audit Committee – 2019 / 20

Planned Schedule of Audit for Each of the Years to March 2023

Review Area	Type	2020/21	2021/22	2022/23
Governance				
Key governance areas will be reviewed on a rotational basis each year such as strategic planning, strategic control, regulatory compliance, performance management, board assurance framework, partnership working, management of conflicts, health and safety, subsidiary governance and third party assurances.	Assurance	✓	✓	✓
Strategic Planning	Assurance		10	
Collaborations	Appraisal	10		
Strategic Resource Planning	Assurance	*		
Performance Management	Assurance		10	
Health and Safety Management	Assurance		10	
Corporate Communications	Assurance			10
Community Engagement	Assurance			10
Risk				
A robust risk management framework is critical to all organisations to ensure risks are effectively management and emerging risks identified our cyclical annual reviews will cover embedding risk, risk identification, risk mitigation and risk workshops.	Compliance / Appraisal	✓	✓	✓
Uncertainty Management – Mitigating Controls	Compliance	*	6	6
Financial systems - Cost Control and Income Maximisation				
Cost control, income maximisation and robust financial systems are essential to financial well-being of any organisation. Our reviews of key financial systems are designed to ensure compliance with PSIAS and help protect against potential frauds. We will carry out a high level review of key financial systems each year supported by a rolling programme of financial system reviews such as payments health check, income, payroll, budgetary control/management reporting, cost improvement planning and nominal ledger.	Assurance	✓	✓	✓
Budgetary Control	Assurance	*	6	6
Treasury Management	Assurance	4	4	4
General Ledger	Assurance	6	6	6
Payroll	Assurance	10	10	10
Creditors	Assurance	6	6	

Annual Report of the Joint Audit Committee – 2019 / 20

Review Area	Type	2020/21	2021/22	2022/23
Debtors	Assurance		6	
Pensions	Assurance	8		8
Expenses and Additional Payments	Compliance	8		8
Capital Programme	Assurance		8	8
Counter Fraud	Compliance	6	6	6
Fixed Assets	Assurance		6	
Workforce Management				
The largest area of expenditure of the Force responsible for the delivery of the Police and Crime Plan and the Chief Constable's delivery plan. Audit work will consider the HR Strategy; Organisational Development and the Wellbeing Strategy.				
<ul style="list-style-type: none"> • Organisational Development 	Assurance	7		
<ul style="list-style-type: none"> • HR Strategy 	Assurance		10	
<ul style="list-style-type: none"> • Wellbeing and Strategy 	Assurance			10
Estates and Fleet				
Estates and the Fleet will receive audit coverage as key areas of expenditure for the Force.				
<ul style="list-style-type: none"> • Fleet Management - Strategy 	Appraisal			6
<ul style="list-style-type: none"> • Fleet Management - Repairs 	Compliance		5	
<ul style="list-style-type: none"> • Fleet Management - Fuel 	Compliance		6	6
<ul style="list-style-type: none"> • Estates Management – Delivery 	Compliance			6
ICT				
We will use our GUARD risk assessment to continue to review ICT risks and controls in place within the organisation. The rolling programme of reviews will include data protection, ICT governance, ICT management and business support, application reviews, network security, data quality and cyber security.				
<ul style="list-style-type: none"> • Infrastructure Review 	Appraisal	8		
<ul style="list-style-type: none"> • Data Assurance 	Assurance	8		

Annual Report of the Joint Audit Committee – 2019 / 20

Review Area	Type	2020/21	2021/22	2022/23
• Network Security	Assurance		8	
• Data Protection	Compliance		6	
• Cyber Security	Assurance			8
• Change Management	Assurance	8		
Follow Up		✓	✓	✓
We will carry out a continuous follow up of internal audit recommendations utilising TIAA's client portal and recommendation tracker. Updates will be provided to each Committee.	Follow Up	6	6	6
Collaborative projects	Assurance	*	*	*
Eastern Area – Command Unit	Compliance	8		
Central Area – Command Unit	Compliance		8	
Western Area – Command Unit	Compliance			8
Property Subject to Charge	Compliance	6		6
Commissioner's Grants	Appraisal		-	6
Vetting	Appraisal	*	6	
Collaborative Reviews				
See Collaborative plan for details	Various	50	*	*
Contract Management	Assurance	6	6	6
Management and Planning				
Contingency – unused days carried forward from 2019/20	-	14		
Briefings	-			
Liaison with Wales Audit Office		*	*	*
Planning	-	4	4	4
Annual Report	-	4	4	4
Management	-	18	18	18
Total Days		205	181	176

Annual Report of the Joint Audit Committee - 2019/20 DRAFT 3

Welsh Police Collaborative Annual Plan – 2020/21

Quarter	Audits	Type	Days	Rationale and Scope
1	Vetting of Contractors	Compliance	12	<p><u>Risk</u> Fraud and Reputational risk.</p> <p><u>Rationale</u> Inherent risk area identified. Potential for further collaboration. The number of days will be split equally for this review.</p> <p><u>Scope</u> The review will consider the contractor vetting arrangements across all four Welsh forces and police and crime commissioners. The scope of the review will assess the arrangements in place, check compliance with the arrangements and compare across the organisations and identify areas for collaboration. The scope of the review does not include any other aspect of the vetting arrangements.</p> <p><u>Leads</u> Lead Force – North Wales</p>
2	Risk Management – Mitigating Controls	Compliance	28	<p><u>Risk</u> Selected risks.</p> <p><u>Rationale</u> Included in all Strategic Plan for 2020/21. The number of days will be split equally for this review.</p> <p><u>Scope</u> Two risks/uncertainties which are included in each the organisation’s risk registers will be selected and the effectiveness of the identified controls will be reviewed. A comparison of the listed controls and assurance in each organisation will be undertaken. 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> <p><u>Leads</u> Lead Force – South Wales</p>

Annual Report of the Joint Audit Committee – 2019 / 20

Quarter	Audits	Type	Days	Rationale and Scope
2	Collaborative Project Review – Office 365 (part of National Enabling programme)	Appraisal	30	<p><u>Risk</u> Financial and Reputational risk.</p> <p><u>Rationale</u> Pan Wales Project – Collaborative project review. The time allocation will be split according to the agreed apportionment.</p> <p><u>Scope</u> The review will appraise the effectiveness of the collaboration arrangements for the Office 365 Project. The scope of the review will also include the effectiveness of the Project Management arrangements.</p> <p><u>Leads</u> Lead Force – Gwent Police</p>
2	Collaborative Project Review – Early Action Together (Adverse Childhood Experiences ACES Project)	Appraisal	30	<p><u>Risk</u> Reputational risk.</p> <p><u>Rationale</u> Pan Wales Project – Collaborative project review. The time allocation will be split according to the agreed apportionment.</p> <p><u>Scope</u> The review will appraise the effectiveness of the collaboration arrangements for the Early Action Together Project. The scope of the review will also include the effectiveness of the Project Management arrangements. It was noted that the project is currently funded until 31 March 2020 and dependent on the funding decision there may be none of the current infrastructure left in place to support the audit. In the event of no further funding the audit will consider how the arrangements are embedded into the Force's own arrangements.</p> <p><u>Leads</u> Lead Force – North Wales</p>

Annual Report of the Joint Audit Committee – 2019 / 20

Quarter	Audits	Type	Days	Rationale and Scope
3	Collaborative Budgetary Control	Assurance	30	<p><u>Risk</u> Financial risk.</p> <p><u>Rationale</u> Financial Risk, Collaborative Review included in each plan for 2020/21. The time allocation will be split according to the agreed apportionment.</p> <p><u>Scope</u> The review will consider the arrangements for financial control over the collaborative budget and project financial arrangements. The scope of the review will include consideration of the apportionment of collaborative costs, income generation and recharges apportionment.</p> <p><u>Leads</u> Lead Force – Dyfed Powys</p>
3	Procurement – Strategic Lead	Appraisal	20	<p><u>Risk</u> Financial and reputational risk.</p> <p><u>Rationale</u> New collaborative area, financial risk. The time allocation will be split according to the agreed apportionment.</p> <p><u>Scope</u> The review will appraise the effectiveness of the new arrangements for delivery of a strategic lead for procurement across the Welsh Police organisations. The detailed scope for the review will be agreed at the next Joint Finance and Resources Group meeting and will include the consistency of approach across the organisations, working links with other public sector bodies, social values and learning from each other. The scope of the review will not include any aspect of the local procurement arrangements in place and will not include compliance testing.</p> <p><u>Leads</u> Lead Force – South Wales</p>

Annual Report of the Joint Audit Committee – 2019 / 20

Quarter	Audits	Type	Days	Rationale and Scope
3	Strategic Resource Planning	Appraisal	40	<p><u>Risk</u> Reputational risk.</p> <p><u>Rationale</u> Identified as collaborative area for all organisations at the Joint Finance and Resources Group. The time allocation will be split according to the agreed apportionment.</p> <p><u>Scope</u> The review will appraise the arrangements in place at each force for strategic resource planning, considering the national initiative for recruitment of additional Police Officers. The detailed scope of the review will be agreed at the next Joint Finance and Resources Group meeting. The scope of the review will not include the overall strategic planning and the links to the Police and Crime Plan.</p> <p><u>Leads</u> Lead Force – North Wales</p>
1 - 4	Liaison with Wales Audit Office (WAO)		8	This time is for liaison with the WAO as External Auditor. This will be undertaken jointly for all organisations.
	Dyfed Powys/South Wales and Gwent Only:			
3	Fleet Management – Fuel Usage	Compliance	18	<p><u>Risk</u> Financial risk</p> <p><u>Rationale</u> Joint fleet management arrangements. In Dyfed Powys, Gwent and South Wales plans for 2020/21. The time allocation will be split equally.</p> <p><u>Scope</u> The review will check compliance with the fuel usage arrangements in place at each organisation. Good practice and benchmarking across the three organisations will be will be shared as appropriate.</p> <p><u>Leads</u> Lead Force – Gwent</p>

Annual Report of the Joint Audit Committee – 2019 / 20

Quarter	Audits	Type	Days	Rationale and Scope
	South Wales and Gwent Only			
3	General Ledger	Assurance	11	<p><u>Risk</u> Business risk</p> <p><u>Rationale</u> Key financial risk area completed annually. Time allocation: 5 Gwent, 6 South Wales</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.</p> <p><u>Leads</u> Lead Force – Gwent</p>
3	Payroll	Assurance	14	<p><u>Risk</u> Business risk</p> <p><u>Rationale</u> Key financial risk area completed annually. Time allocation: 6 Gwent, 8 South Wales</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. 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><u>Leads</u> Lead Force – South Wales</p>

Annual Report of the Joint Audit Committee – 2019 / 20

Quarter	Audits	Type	Days	Rationale and Scope
3	Creditors	Assurance	12	<p><u>Risk</u> Business risk.</p> <p><u>Rationale</u> Key financial risk area completed annually. Time allocation: 6 Gwent, 6 South Wales.</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><u>Leads</u> Lead Force – South Wales</p>
3	Debtors	Assurance	11	<p><u>Risk</u> Business risk.</p> <p><u>Rationale</u> Key financial risk area completed annually. Time allocation: 6 Gwent, 5 South Wales.</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><u>Leads</u> Lead Force - Gwent</p>
Total Collaborative Days			264	198 pan Wales.
South Wales Police Allocation			93	Includes Fleet Usage and Two Force Finance review collaboration
North Wales Police Allocation			50	
Dyfed Powys Police Allocation			50	Includes Fleet Usage
Gwent Police Allocation			71	Includes Fleet Usage and Two Force Finance review collaboration

Annual Report of the Joint Audit Committee – 2019 / 20