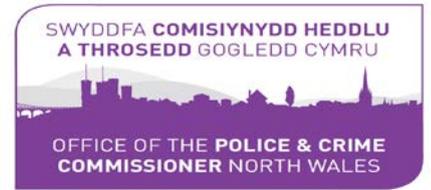




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Annual Report of the Joint Audit Committee

2018/19

Annual Report of the Joint Audit Committee - 2018/19

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Statement from Chair

As Committee Chair, I am pleased to present my first Annual Report of the Joint Audit Committee ('the Committee'; 'the JAC') which covers activities for the period 1st April 2018 to 31st March 2019. The term of the existing JAC members completed in March 2018, five new Joint Audit Committee Members were then appointed in March 2018, following a recruitment process. The new JAC members who served for the year under review were:-

Name
Jim Illidge
Rachel Barber
John Cunliffe
Claire Hodson
Dianne Walker

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 2018/19, 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 'WAO') on the year end annual report and accounts, 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 '18 – 31 March 2019	Chief Finance Officer - PCC	Kate Jackson
1 April '18 – 31 July 2019	Director of Finance & Resources - NWP	Tracey Martin
31 July '18 – 31 March 2019	Director of Finance & Resources - NWP	Richard Muirhead

Examples of specific activity that the JAC has undertaken to facilitate an informed identification, review and assessment of any significant issues relating to the 2018/19 annual report and accounts included:

- A review of the annual financial statements focusing particularly on accounting policies and practices, and significant adjustments resulting from audit
- A review of the ISA 260 and presentation and discussion of its content by the external auditors
- 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

Jim Illidge
Chair of Joint Audit Committee

April 2019

1. Overview

The Joint Audit Committee is required to report annually to the Police & Crime Commissioner 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 recommendation 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 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.

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 2018-19 The Committee met on four occasions in accordance with its planned schedule:-

- 13 July 2018
- 20 September 2018
- 22 November 2018
- 21 March 2019

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 3**.

The Committee Members may meet with the External and Internal auditors outside of the formal meeting schedule and an arrangement have 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 2018/19

Throughout 2018/19, 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 Force Management Statement
- Further development of the Risk Assurance processes
- Receiving assurance on the management of cyber security risks and the systems in place to mitigate against these risks

- The future estates strategy and improved mobile working initiatives
- Involvement in the development of the internal audit programme
- A review of effectiveness of both the internal and external auditors.

Appendix 2 sets out the programme of work in relation to the Internal Audit Plan undertaken in 2018/19 and the outcome of these audits, together with the planned schedule of audit for each of the years to March 2021.

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 three year contract awarded in April 2017.

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.

This year the Committee has had increased oversight and input into the development of the annual internal audit programme. A bi-annual review of the programme will also be undertaken by the Committee to consider the amendment of the programme, if required.

4. External Audit

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

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 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 2018/19 was £86,000 plus VAT.

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 2017/18 included:

- Valuation of land and buildings, and the fraud related risks of income recognition and management override of controls
- Value for money
- Quality accounts

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
Jim Illidge	Chair
Claire Hodson	Governance
Rachel Barber	Risk management & Controls
John Cunliffe	IT Systems & cyber security
Dianne Walker, FCA	Financial reporting

6. Governance

The first draft of the annual governance statement for 2018-19 had been presented to the previous JAC at its meeting on 20 March 2018. 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 18 July 2018. The completed and final annual governance statement was received by the JAC at its meeting on 20 September 2018. The initial draft of the annual governance statement in respect of 2019-20 was received and discussed by the JAC at its meeting on 21 March 2019.

The Joint Governance Board met regularly throughout 2018- 2019. 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.

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.

Over the course of the four 2018/19 JAC meetings the Committee has raised continuing concerns about the OPCC and Forces approach to risk and assurance. This culminated in a workshop session after the close of the JAC meeting on 20 March 2019 between the JAC, Chief Executive, Chief Finance Officers and key staff. Various actions were agreed at this workshop these agreed initiatives and target dates will be detailed in a paper to be reported to our next meeting in July 2019. These actions should provide greater reassurance to the JAC during 2019/20 and thereafter.

8. IT Systems and Cyber Security

Cyber security has been a key area of focus for the Committee during 2018/19. It has sought assurance that the force has implemented a number of security measures following the publication of the cyber security guidance by the National Audit Office in September 2017 and updated advice from the Internal Auditors.

During 2019/20, the JAC will receive an annual update report on the Force's security management systems to monitor and manage cyber security threats.

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 annual report 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 September 2018.
- 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 2018/19, the JAC received assurance against the system for raising concerns as part of its schedule of business. This will continue into 2019/20.

11. Training

As part of the new committee's induction programme four members attended a CIPFA day course on Audit Committee best practise. As part of their continuing development JAC members received presentations after their meetings. During 2018-19 the following subjects were covered:

- Sustainability and social value
- Health and safety
- Emergency services network
- RMS legacy data controls

In February 2019 three members of the JAC joined members of the other Welsh JAC's for the annual meeting on policy updates and sharing of best practise.

A performance review process 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.

12. Meeting dates for 2019/20

The JAC has four meetings planned during 2019-20 financial year:-

- 30 July 2019
- 23 September 2019
- 28 November 2019
- March 2020 (date tbc)

Appendix – Terms of Reference

1. Statement of purpose

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

2. Governance, risk and control

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

3. Internal Audit

3.1 The Committee will provide advice and guidance to the PCC and CC in relation to the following areas:

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

4. External audit

4.1 The Committee will provide advice and recommendations to the PCC and CC in relation to the following areas:

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

5. Financial Reporting

5.1 The Committee will provide advice and recommendations to the PCC and CC in relation to the following areas:

- 5.1.1 Review the annual statements of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the PCC or CC.

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

6. Accountability arrangements

6.1 The Committee will:

6.1.1 On a timely basis report to the PCC and CC with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.

6.1.2 Report to the PCC and CC on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.

6.1.3 Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the PCC and CC.

6.1.4 Publish an annual report of the work of the Committee. See above at 6.1.2.

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 : Internal Audit Rolling Strategic Plan

Fundamental Review Areas To support the Head of Internal Audit opinion	Type	2019/20	2020/21	2021/22
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.				
<ul style="list-style-type: none"> Yr 1: Corporate Communications 	Assurance	✓		
<ul style="list-style-type: none"> Yr 1: Community Engagement 	Assurance	✓		
<ul style="list-style-type: none"> Yr 2: Strategic Planning 	Assurance		✓	
<ul style="list-style-type: none"> Yr 2: Collaborations 	Assurance		✓	
<ul style="list-style-type: none"> Yr 3: Performance Management 	Assurance			✓
<ul style="list-style-type: none"> Yr 3: Health and Safety Management 	Assurance			✓
Risk				
A robust risk management framework is critical to all organisations to ensure risks are effectively managed and emerging risks identified our cyclical annual reviews will cover embedding risk, risk identification, risk mitigation and risk workshops. A Risk Management – Mitigating Controls audit will be undertaken each year.	Compliance	✓	✓	✓
Year 1 will also include a review of Board Assurance	Appraisal	✓		
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 Public Sector Internal Audit Standards 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				
<ul style="list-style-type: none"> Budgetary Control 	Assurance	✓	✓	✓
<ul style="list-style-type: none"> Treasury Management 	Assurance	✓	✓	✓
<ul style="list-style-type: none"> General Ledger 	Assurance	✓	✓	✓
<ul style="list-style-type: none"> Payroll – Collaborative Review 	Assurance	✓	✓	✓
<ul style="list-style-type: none"> Creditors – Collaborative Review 	Assurance	✓	✓	
<ul style="list-style-type: none"> Debtors – Collaborative Review 	Assurance	✓		✓
<ul style="list-style-type: none"> Fixed Assets 	Assurance	✓		✓
<ul style="list-style-type: none"> Pensions 	Assurance		✓	
<ul style="list-style-type: none"> Expenses and Additional Payments 	Compliance		✓	
<ul style="list-style-type: none"> Capital Programme 	Assurance	✓	✓	✓

Fundamental Review Areas To support the Head of Internal Audit opinion	Type	2019/20	2020/21	2021/22
<ul style="list-style-type: none"> Counter Fraud 	Compliance		✓	✓
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"> Year 1 will focus on Wellbeing and Strategy 	Assurance	✓		
<ul style="list-style-type: none"> Year 2 will focus on Organisational Development 	Assurance		✓	
<ul style="list-style-type: none"> Year 3 will consider HR Strategy 	Assurance			✓
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"> Estates Management – Delivery – Collaborative Review 	Assurance	✓		
<ul style="list-style-type: none"> Fleet Management - Strategy 	Appraisal		✓	
<ul style="list-style-type: none"> Fleet Management - Repairs 	Compliance			✓
<ul style="list-style-type: none"> Fleet Management - Fuel 	Compliance	✓	✓	✓
Fundamental Review Areas To support the Head of Internal Audit opinion	Type	2019/20	2020/21	2021/22
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"> Cyber Security 	Assurance	✓		
<ul style="list-style-type: none"> Change Management 	Assurance	✓		
<ul style="list-style-type: none"> Infrastructure Review 	Appraisal		✓	
<ul style="list-style-type: none"> Data Assurance 	Assurance		✓	
<ul style="list-style-type: none"> Network Security 	Assurance			✓
<ul style="list-style-type: none"> EUGDPR 	Compliance			✓
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	✓	✓	✓

Organisational Review Areas	Type	2019/20	2020/21	2021/22
Collaborative projects – Single Online Home for 2019/20	Assurance	✓	✓	✓
Central Area – Command Unit	Compliance	✓	-	
Eastern Area – Command Unit	Compliance	-	✓	-
Property Subject to Charge	Compliance	-	✓	-
Commissioner's Grants	Appraisal	-	✓	-
Vetting	Appraisal	-	-	✓
Western Area – Command Unit	Compliance	-	-	✓
Contract Management	Assurance	✓	✓	✓
Management and Planning				
Briefings	-	✓	✓	✓
Planning	-	✓	✓	✓
Annual Report	-	✓	✓	✓
Management	-	✓	✓	✓

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Annex C: Collaborative Annual Plan – 2019/20

Quarter	Audits	Type	Days	Rationale and Scope
2	Estate Management - Delivery	Assurance	24	<p><u>Rationale</u> Collaborative Review.</p> <p><u>Scope</u> The review considers how two contracts at each Force are delivered in accordance with the Estates Strategy.</p> <p><u>Leads</u> Lead Force – North Wales</p>
3	Debtors	Assurance	20	<p><u>Rationale</u> Financial Risk, Collaborative Review.</p> <p><u>Scope</u> The review considers the raising of debtor accounts, collection of income, receipting, storage and banking of income received by each 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. The number of transactions tested in the sampling will be the same for each organisation.</p> <p><u>Leads</u> Lead Force – Dyfed Powys</p>
3	Payroll	Assurance	24	<p><u>Rationale</u> Financial Risk, Collaborative Review.</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. The number of transactions tested in the sampling will be the same for each organisation.</p> <p><u>Leads</u> Lead Force – South Wales</p>
3	Creditors	Assurance	24	<p><u>Rationale</u> A review to test areas of exposure to fraud has been included in each year of the plan.</p> <p><u>Scope</u> The review considers the arrangements for authorising and paying costs incurred by each organisation and the arrangements for control of the payment methods and devices. The scope does not include providing an assurance that the expenditure was necessary or that value for money was achieved from the expenditure committed. The number of transactions tested in the sampling will be the same for each organisation.</p> <p><u>Leads</u> Lead Force – Gwent</p>
3	Collaborative Review – Single Online Home	Appraisal	20	<p><u>Rationale</u> Collaborative Review.</p> <p><u>Scope</u> The review appraises the effectiveness of the collaboration arrangements for the pan wales Single Online Home Project. The scope of the review also includes the effectiveness of the Project Management arrangements.</p> <p><u>Leads</u> Lead Force – North Wales</p>
1 - 4	Liaison with Wales Audit Office		8	This time is for liaison with the WAO as External Auditor. This will be undertaken jointly for all organisations.
Total Collaborative Days			120	

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Quarter	Audits	Type	Days	Rationale and Scope
	Contribution from each Police and Crime Commissioner and Chief Constable		30	

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Annex D: Annual Plan – 2019/20

Quarter	Audits	Type	Days	Rationale and Scope
1	Governance – Community Engagement	Assurance	10	<p><u>Rationale</u> Key area of Governance, part of a rolling programme of Governance reviews.</p> <p><u>Scope</u> The review considers the effectiveness of the Community Engagement strategies for the Force and the Police and Crime Commissioner.</p>
1	Fixed Assets	Assurance	6	<p><u>Rationale</u> Key financial risk area completed bi-annually. The focus for 2019/20 will be on IT equipment</p> <p><u>Scope</u> The review considers arrangements in place for the management of the laptops/desktops replacement programme including purchasing, allocation to staff/officers licensing and disposal. The review will also consider the arrangements in place to ensure that the equipment has been effectively cleansed of data prior to disposal. The scope of the review does not include consideration of the, depreciation policies or insurance arrangements.</p>
1	HR Management – Wellbeing Strategy	Assurance	7	<p><u>Rationale</u> Workforce risk area.</p> <p><u>Scope</u> The review appraises the arrangements for ensuring staff wellbeing.</p>
1	Central Command Unit	Compliance	8	<p><u>Rationale</u> Key risk area, included in the plan on an annual basis.</p> <p><u>Scope</u> The review assesses compliance with the key corporate procedures for Financial, HR, Duty of Care and Service Delivery.</p>
2	Contract Management (Building/ICT/Services/Operational Project)	Assurance	6	<p><u>Rationale</u> Key risk area, a contract management review is included in each year of the plan.</p> <p><u>Scope</u> The review considers the effectiveness of an operational project to be agreed.</p>
2	Collaborations	Assurance	8	<p><u>Rationale</u> An important area for the Force that receives periodic audit coverage</p> <p><u>Scope</u> The review considers the structure and agreements that are in place to include:</p> <ul style="list-style-type: none"> • the business planning of the collaborative working arrangements • the roles and responsibilities • the decision making processes and • the performance measurement and monitoring of the partners.
3	Governance – Corporate Communications	Assurance	10	<p><u>Rationale</u> Key area of Governance, part of a rolling programme of Governance reviews.</p> <p><u>Scope</u> The review considers the effectiveness of the Internal and External Communications strategies for the Force and the Police and Crime Commissioner.</p>

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Quarter	Audits	Type	Days	Rationale and Scope
3	ICT Change Management	Assurance	8	<p><u>Rationale</u> ICT Risk underpins all business systems.</p> <p><u>Scope</u> The scope of the review includes detailed testing of the documented arrangements to ensure that changes to IT systems and services are defined, risk assessed, authorised, tested, implemented and fully documented to ensure service delivery and security are not compromised.</p>
3	Uncertainty Management – Mitigating Controls	Compliance	4	<p><u>Rationale</u> Included in each year of the Strategic Plan to ensure that there are effective controls in place for the most significant risks. The audit will consider two risks</p> <p><u>Scope</u> Two risks currently included in the organisation's risk map will be selected and the effectiveness of the identified controls will be reviewed. The scope of the review does not include consideration of all potential mitigating arrangements or their effectiveness in minimising the opportunities for the identified risks to occur.</p>
3	Budgetary Control	Assurance	6	<p><u>Rationale</u> Key Audit risk area completed annually. Particularly important due to the continued cuts in funding.</p> <p><u>Scope</u> The review considers the budget preparation process, the monitoring arrangements, and reporting to the Strategy and Performance Board. The scope of the review does not include consideration of the assumptions used in preparing the budgets; depreciation policies; apportionment of central costs; or financial information included in tenders prepared by the organisation.</p>
3	Treasury Management	Assurance	6	<p><u>Rationale</u> Joint Audit Committee requested annual coverage of this area.</p> <p><u>Scope</u> The review considers the arrangements for controlling the investment and borrowing arrangements; compliance with the organisation's overall policy; banking arrangements; reconciliations and the reporting to committee. The scope of the review does not include consideration of the appropriateness of any individual financial institution or broker or of individual investment decisions made by the organisation.</p>
3	General Ledger	Assurance	6	<p><u>Rationale</u> Key financial risk area completed annually</p> <p><u>Scope</u> The review considers the arrangements for providing an effective audit trail for data entered onto the general ledger and the appropriateness of the reports generated. The scope of the review does not extend to the budgetary control arrangements and bank reconciliations.</p>

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Quarter	Audits	Type	Days	Rationale and Scope
4	Risk Management – Board Assurance	Appraisal	8	<p><u>Rationale</u> Requested by Joint Audit Committee. Key area of Governance and Risk Management.</p> <p><u>Scope</u> The review provides the Police and Crime Commissioner and Chief Constable with confidence that systems underpinning risk management are effective and can be relied upon to provide assurance that key objectives are being achieved and that the main risks to their achievement are being effectively managed. The Assurance Framework informs the completion of the annual Governance Statement and is a fundamental area for consideration for the annual Head of Internal Audit Opinion.</p>
4	Capital Programme	Assurance	8	<p><u>Rationale</u> Key financial risk area. Brought forward from 2020/21 at management's request</p> <p><u>Scope</u> The review considers the arrangements for accounting for the capital programme. The scope of the review does not include consideration of the funding arrangements or the specification of the projects.</p>
4	Cyber Security	Assurance	8	<p><u>Rationale</u> Cybercrime is on the increase.</p> <p><u>Scope</u> The review considers the arrangements for the pro-active identification, prioritising and mitigating against cyber-crime. The scope of the review does not include detailed testing to assess whether there is evidence of possible fraudulent actions.</p>
4	Follow-up	Follow up	6	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the Organisation is implementing recommendations, and providing reports to the Joint Audit Committee.
1 - 4	Collaborative approach and Single Home Online project	Assurance	30	Joint contract for 19/20 onwards. Collaborative approach and projects listed in Collaborative Plan in Annex C.
1-4	Contingency	TBC	13	
1-4	Liaison with Wales Audit Office	Management	2	
1	Annual Planning	Management	4	Assessing the Organisation's annual audit needs – requirement of Internal Audit Standards.
4	Annual Report	Management	4	Reporting on the overall conclusions and opinion based on the year's audits and other information and providing input to the Annual Governance Statement.
1-4	Client Portal	Management		The client portal provides a one stop shop of internal audit reports, progress and recommendation tracker as well as briefings, fraud alerts, fraud updates and committee briefings.
1-4	Management, Planning & Joint Audit Committee Reporting/Support	Management	22	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Joint Audit Committee liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).

Total days 19
0

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Appendix 3 – Attendees invited to Joint Audit Committee meetings

The following officers attended Joint Audit Committee meetings during 2018-19:

- Chief Executive Officer (OPCC)
- Director of Finance and Resources (Force)
- Chief Finance Officer (OPCC)
- Chief Accountant (Force)
- Supt Corporate Services (Risk management)
- Financial Management Accountant (Force)
- Engagement Lead (Wales Audit Office)
- Audit Manager (Wales Audit Office)
- Head Of Internal Audit (TIAA)
- Personal Assistant (OPCC)
- Risk & Business Continuity Cor-Ordinator (Force)