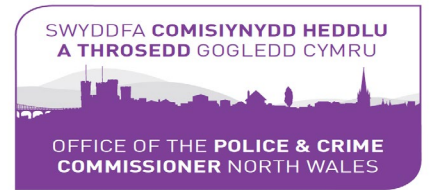




**HEDDLU GOGLEDD CYMRU**  
Gogledd Cymru diogelach

**NORTH WALES POLICE**  
A safer North Wales



# Annual Report of the Joint Audit Committee 2021 / 22

## **Annual Report of the Joint Audit Committee – 2021 / 22**

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## Annual Report of the Joint Audit Committee - 2021/22

### 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 2021 to 31st March 2022.

The JAC members who served for the year were:-

Name
Rachel Barber
John Cunliffe
Sarah Davies
Julie Perkins
Allan Rainford

The Committee welcomed three new members from 1<sup>st</sup> April 2021. In 2021/22 the impact of Covid-19, continued to necessitate a different approach to addressing the responsibilities of the Committee and all of the related parties, which assist in providing assurance both to the OPCC, the Force and the JAC. All JAC meetings were held virtually. So too were the JAC All Wales events, CIPFA introduction and induction activities. Each party rose to this challenge in order to deliver effectively and efficiently, for which I am sincerely thankful for. I thank all of the committee members for their strong contribution and dedication throughout the year.

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.

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 2021/22, 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, Audit Wales, (AW) on the year end annual report and accounts for 20/21, the Committee considered all year-end documentation received from the Chief Financial Officer of the PCC and the Director of Finance & Operations of the North Wales Police ('the Finance Officers'); the Finance Officers in place for the financial year were:-

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

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

- A review of the annual financial statements, focusing particularly on accounting policies and practices including placing an emphasis on the understandability of the narrative report and Annual Governance Statement
- Receiving assurance on capital strategy and treasury management strategy
- Reviewing the approach to risk management and delivery of the improvements to the approach to risk management
- Reviewing the effective, efficient and robust governance arrangements and structures.
- Reviewing and receiving assurance on the approach to value for money and how this is embedded within decision making and strategic action.
- Receiving assurance on the status of readiness to meet the requirements of the new CIPFA Financial Management Code
- Receiving organisational updates at each quarterly meeting from the Force and OPCC to remain apprised of key events taking place within the Force
- Deep dives into the ICT Sourcing Strategy, NEP Programme, Capital Programme, Health and Safety, Digital Transformation and adequacy of financial resources.
- The work of the ethics committee and develop the work of the Committee to support this area
- Involvement in the development of the internal audit programme, including collaborative audits
- A review of effectiveness of both the internal and external auditors.

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

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

**May 2022**

## 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.

The Committee Membership consists of external, independent members. During 2020/21 the Force and OPCC reviewed the JAC terms of reference at its Joint Governance Board resulting in minor amendments and in line with CIPFA guidance. The Terms of Reference were presented to the JAC and are attached in **Appendix 1**

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, internal and external audits.

During 2021-22 The Committee met virtually on four occasions in accordance with its planned schedule:-

- 4<sup>th</sup> August 2021
- 6<sup>th</sup> October 2021
- 8<sup>th</sup> December 2021
- 1<sup>st</sup> April 2022 (rescheduled from 28<sup>th</sup> March 2022)

As well as the scheduled meetings an additional meeting was held to provide more detailed feedback on the annual report and accounts before final sign off. We also welcomed representatives from the Police and Crime panel to the October meeting.

Agendas, minutes and papers were made available to the public prior to all the scheduled meetings. The exception to this was where items were deemed inappropriate for publication. In these circumstances a closed session agenda, minutes and papers were made available to all JAC members prior to scheduled meetings.

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

A number of events were held during the year by JAC members including; an annual all Wales JAC training day held virtually in the year and CIPFA introduction day. An induction was also arranged for all the JAC members.

## 2. Work of the Committee during 2021/22

Throughout 2021/22, the Committee reported on the nature and outcomes of its work to the Chief Constable and the Police & Crime Commissioner highlighting any areas that should be brought to their attention.

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

- A review of the annual financial statements, focusing particularly on accounting policies and practices including placing an emphasis on the understandability of the narrative report and Annual Governance Statement
- Receiving assurance on capital strategy and treasury management strategy
- Reviewing the approach to risk management and delivery of the improvements to the approach to risk management
- Reviewing the effective, efficient and robust governance arrangements and structures.
- Reviewing and receiving assurance on the approach to value for money and how this is embedded within decision making and strategic action.
- Receiving assurance on the status of readiness to meet the requirements of the new CIPFA Financial Management Code
- Receiving organisational updates at each quarterly meeting from the Force and OPCC to remain apprised of key events taking place within the Force
- Deep dives into the ICT Sourcing Strategy, NEP Programme, Capital Programme, Health and Safety, Digital Transformation and adequacy of financial resources.
- The work of the ethics committee and develop the work of the Committee to support this area
- 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 2021/22 and the outcome of these audits. A review is currently underway to determine the most appropriate model for internal audit services moving forwards. In line with the JAC terms of reference of determining the appropriateness of the Internal Audit services, audit committee members will be included in this process as a stakeholder.

A performance self-evaluation review is undertaken at the end of each year by JAC members and is provided to Finance officers to facilitate an action plan to address opportunities for improvement. An evaluation was undertaken in early 2021 with three areas identified to enhance its contribution. With an induction process in place it was agreed to undertake an evaluation incorporating new committee members early in 2022 and agree an action plan with the Finance Officers for 22/23. The evaluation has shown opportunities to:

- Continue to support the committee with briefings and training
- Advise the Committee on the adequacy of the assurance framework
- Further support the arrangements for assuring the Committee of value for money
- Increase the reporting to the Committee of the assurance for countering fraud and corruption
- Demonstrate to the committee effective public reporting to the authorities and local community to improve transparency and accountability

Officers also provided feedback to the JAC which will be incorporated into the action plan.

At the time of writing this report the action plan is to be agreed and discussed, this will happen at the first meeting of 22/23.

### 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 JAC including comments on the appropriateness of key controls in relation to the risks, the strength of the assurances provided for each risk as well as the suitability of the proposed additional risk-mitigating actions.

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

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. In March 2021 the Committee reviewed and approved the 2021/22 internal audit strategy and annual internal audit plan, except for collaboration audits which were still to be finalised. The final programme was shared with JAC in August 21. There were unused days due to change in the programme which meant unused days from 20/21 would be carried forward to 21/22. Due to carryover there would be 199 days allocated to the 21/22 plan. At the first meeting of the year in August, TIAA provided their Internal Audit Annual opinion for 20/21 as 'satisfied that the PCC and CC have adequate and effective management, control and governance processes in place to manage the achievement of their objectives.'

During 21/22 there were two 'Limited Assurance' audits. The Committee during the period had received two of the audit reports. At the time of writing this report a further limited assurance audit report will be provided at the first meeting of 22/23. Delivery of actions were reported in detail to the JAC and a deep dive also took place around Health and Safety offering assurance to the JAC that officers were fully engaged in the delivery of improvements and understanding of the position. Full traceability and assurance is provided to the JAC for all client briefing notes providing transparency of action taken by the Force or OPCC.

The 2022/23 internal audit plan was presented to the last meeting of the year and was noted by the

JAC. This can be found in **Appendix 4**.

## 4. External Audit

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

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

The external auditors provided their updated view on their risk based audit approach and their key areas of focus in the year-end audit via a technical update and planning report, enabling the Committee to ask questions and seek advice as necessary. The key risks identified that might impact the financial statements in 2020/21 included Risk of Management Override, Impact of Covid 19 and the McCloud Judgement.

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 2021/22 was £83,699 plus VAT.

The Committee reviewed and approved the AW 2022/23 annual plan. The external audit fee will be £86,933, a slight increase on prior year. As the JAC prepares for the work of the AW during 2022/23 the AW identified the key risks as follows: Management override, impact of Covid 19 and Asset Valuations.

## 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
Rachel Barber	Chair
John Cunliffe	Risk
Sarah Davies	Governance and Ethics
Julie Perkins	IT Systems & Digital
Allan Rainford	Financial reporting

## 6. Governance

The Joint Governance Board met routinely during 2021/2022. 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 meetings of the board. The Chief



Finance Officer reports to every JAC meeting on its work.

Drafts of the annual governance statement in respect of 2020/2021 were presented and discussed at the Joint Governance Board, to which JAC members are invited. Members of the JAC were able to review and comment on the final draft AGS prior to its final presentation as part of the report and accounts at the JAC meeting on 6<sup>th</sup> October. The progress of the Annual Governance Plan for 2021/2022 is routinely discussed at the Joint Governance Board.

Following the Governance Review of 2019/20, in developing and updating governance, all actions were completed during 2021. A review of the effectiveness of the governance structure subsequently followed and reported through to the Joint Governance Board with information provided to JAC. It was noted that the governance arrangements are considered effective and efficient, by officers. There were a number of recommendations made which will be monitored by the Joint Governance Board and reported through to the JAC for assurance during 2022/23.

The Manual of Governance was reviewed, amended, approved and published during the year.

There has been a newly appointed independent Chair of the Ethics committee who attended JAC meeting and provided an update of the work to date. This will continue to be reported through to JAC during 22/23

### **7. Risk Management & Controls**

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' appetite for risk. At every JAC meeting members receive and review the risk management update on the organisational risk management process. All JAC members also have access to the OPCC and Force registers before their formal meetings. The reporting continues to evolve in order to provide more succinct and transparency to the work the Force undertakes in this area.

In order to deliver improvements, it was agreed with JAC; to build on the risk framework, ensure resources are appropriately considered and embed the approach to risk management further into the culture of the organisation. In this year a separate risk register for COVID continued until the 2<sup>nd</sup> half year when the outstanding risks were transferred to the 'normal' risk register.

The JAC encouraged the Force to introduce formal risk appetite in 19/20. This was reviewed and developed in 20/21, with JAC providing input and scrutiny to the approach adopted. During 21/22 this was incorporated into the risk management and assurance mapping framework. During the year the force decided that assurance mapping would be prioritised on a risk basis and this has progressed.

Deep Dives have been undertaken during the year in the following areas: Capital Programme, Health and Safety, ICT Sourcing strategy, Digital Transformation, NEP Programme and adequacy of financial funding.

### 8. Value for Money (VFM)

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

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

### 9. Financial Reporting

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

Examples of specific activity that the JAC has undertaken to facilitate an informed identification, review and assessment of significant issues in relation to the 2020/21 Statutory Accounts include the following:

- Receiving briefings from the Finance Officers of the PCC and the Chief Constable who are required to bring to the attention of the Committee, on an ongoing basis, any changes to accounting policy, significant financial reporting issues, estimates and judgements, and significant transactions, ensuring the annual accounts have been prepared in accordance with accounting policies;
- the Committee reviewed the integrity of the Financial Statements prior to approval by the Police and Crime Commissioner and the Chief Constable and compliance with accounting policy and any significant adjustments;
- the Committee received reports from the Chief Finance Officers detailing breaches and waivers of the procurement process and assurance on compliance with losses and special payments processes;
- the Committee received and reviewed the draft Annual Report and Financial Statements in preparation for their signature, in October 2021.
- the Committee reviewed the Annual Report (including the Annual Governance Statement), Annual Financial Statements and Accounts to provide a consistency and reasonableness check;
- the Finance Officers presented to the Committee detailed papers on the annual accounts process during the year-end reporting period;
- the Committee considered the external auditor's ISA260 report and unmodified audit opinion. No differences of opinion with the key management judgements were highlighted;
- the Committee considered TIAA's opinion in relation to the overall adequacy and effectiveness of the organisation's risk management, control and governance processes, which provided overall Substantial Assurance.
- The Committee raised the continued slippage in capital expenditure and delivery of projects to the management who ensured that the narrative report was suitably reflective of this slippage.

## Annual Report of the Joint Audit Committee – 2021/ 22

- The Committee made recommendations on the presentation of the report to improve understandability. Further improvements will be made for the 22/23 report.

From its work the JAC was able to conclude that:

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

During the year the Committee received assurance of the progress and compliance with the CIPFA Financial Management Code.

### 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 2021/22, the JAC received assurance against the system for raising concerns as part of its schedule of business. This will continue into 2022/23.

### 11. 2022/23 Forward Plan and Meeting dates

During 2022/23 the JAC will deliver upon its Terms of reference and more specifically:

- Track and review the actions from the Governance review action plan and support further improvement
- Shine a spotlight on the work of the ethics committee and develop the work of the Committee to support this area
- Seek assurance of compliance with the Financial Management Code and guide further improvements in financial presentation to aid understanding
- Continue to review how value for money is achieved.
- Support management to develop its approach to risk and embedding this into the organisation.
- Deliver the action plan derived from its annual self-evaluation effectiveness review
- Understand and review the approach to IT and Digital Transformation including the NEP Programme

The JAC has four meetings planned during 2022-23 financial year:-

- 28<sup>th</sup> July 2022
- 6<sup>th</sup> October 2022
- 8<sup>th</sup> December 2022
- 28<sup>th</sup> March 2023

## Appendix 1

### 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, risk management 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 Manual of Governance, comprising the Code of Corporate Governance, Scheme of Consent, Financial Regulations and Standing Orders for Contracts against the good governance framework, and comment and advise on any proposed changes.
  - 2.1.2 Review the corporate governance arrangements against the good governance framework, including the ethical framework, codes of governance, and policies on fraud, irregularity and corruption, including whistle blowing.
  - 2.1.3 Review the annual 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.
  - 2.1.4 Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
  - 2.1.5 Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPCC and Force.
  - 2.1.6 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).
  - 2.1.7 Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
  - 2.1.8 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.
  - 2.1.9 To review the governance and assurance arrangements for significant

partnerships or collaborations.

- 2.1.10 The PCC nominate the Joint Audit Committee to be responsible for ensuring effective scrutiny of the Capital Strategy and Treasury Management Policy.

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

### 5. Financial Reporting

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

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

- statements that need to be brought to the attention of the PCC or CC.
- 5.1.2 Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements.

### 6. Accountability arrangements

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

### 7. General

- 7.1 The Committee will normally comprise five independent members, who are independent of both the OPCC and Force. If it becomes apparent that the membership will fall below four members, recruitment will be undertaken to bring the membership up to five.
- 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.
- 7.4 Training and other events take place on a periodic basis, which members are expected to attend.
- 7.5 Each member is invited to lead in an area where they have specialist knowledge, and may communicate with relevant staff and officers outside of formal meetings in order to be able to inform the rest of the Committee and to provide assurance to the PCC and CC.

Appendix 2

OFFICERS INVITED TO JOINT AUDIT COMMITTEE

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

Appendix 3

Internal Audit Programme undertaken in 21/22

Progress against Annual Plan 2021-22

System	Planned Quarter	Current Status	Comments
Collaborative – Pan Wales			
Counter Fraud (Anti-Fraud Procurement)	1	Fieldwork ongoing	Lead Force – NWP Audit delayed due to time taken to agree area for coverage. Audit completion delayed due to sickness but will be issued prior to the year end.
Pensions – All Wales Pension Board*	2	Final report issued 11 <sup>th</sup> November 2021	
Safety Camera Partnership	2	Final report issued 23 <sup>rd</sup> November 2021	
Automatic Number Plate Recognition (ANPR)	2	Final report issued 12 <sup>th</sup> January 2022	
Agile Working	2	Final report issued 17 <sup>th</sup> February 2022	
Budgetary Control	3	Final report issued 26 <sup>th</sup> January 2022	
General Ledger	3	Final report issued 25 <sup>th</sup> November 2021	
Payroll	3	Deferred To Q2 2022/23	
Creditors	3	Deferred To Q2 2022/23	
Debtors	3	Draft report issued 23 <sup>rd</sup> February 2022	
Treasury Management	3	Final report issued 2 <sup>nd</sup> February 2022	
North Wales Only			



## Annual Report of the Joint Audit Committee – 2021/ 22

System	Planned Quarter	Current Status	Comments
Health and Safety Management	1	Final report issued 5 <sup>th</sup> July 2021	Presented to August 2021 JAC
ICT – Network Security	4 2	Draft report issued 20 <sup>th</sup> January 2022	
Western Area – Command Unit	1	Final report issued 29 <sup>th</sup> June 2021	Presented to August 2021 JAC
Pensions – Cyber Security	1	Final report issued 2 <sup>nd</sup> September 2021	Presented to October 2021 JAC
Commissioner’s Grants	2	Final report issued 11 <sup>th</sup> November 2021	
Performance Management	2	Final report issued 2 <sup>nd</sup> November 2021	Presented to December 2021 JAC
ICT – Data Protection	2	Site work completed	
Capital Programme	2	Final report issued 17 <sup>th</sup> September 2021	Presented to December 2021 JAC
Fleet Management – Fleet Strategy	3	Deferred to 2022/23	Deferred at the request of Management
Risk Management – Mitigating Controls	3	Final report issued 6 <sup>th</sup> December 2021	
Contract Management	3	Site work completed	
Fixed Assets	3	Draft report issued 2 <sup>nd</sup> December 2021	
HR Management – HR Strategy	3	Final report issued 11 <sup>th</sup> January 2022	
Occupational Health Unit	4	Final report issued 4 <sup>th</sup> February 2022	
Strategic Planning	4	Final report issued 1 <sup>st</sup> February 2022	
OPCC Complaints	4	Proposed date w/c 21 <sup>st</sup> March 2022	Additional audit agreed with Chief Finance Officer
Follow-up	4	Final report issued 2 <sup>nd</sup> March 2022	
Liaison with Audit Wales	1-4		
Annual Planning	4	Final Report issued 12 <sup>th</sup> May 2021	

# Annual Report of the Joint Audit Committee – 2021/ 22

System	Planned Quarter	Current Status	Comments
Annual Report	4		
Audit Management	1-4		

**KEY:**

<div style="display: flex; align-items: center;"> <div style="width: 20px; height: 20px; background-color: #add8e6; margin-right: 5px;"></div> <span>To be commenced</span> </div>	<div style="display: flex; align-items: center;"> <div style="width: 20px; height: 20px; background-color: #ffff00; margin-right: 5px;"></div> <span>Site work commenced</span> </div>	<div style="display: flex; align-items: center;"> <div style="width: 20px; height: 20px; background-color: #f080f0; margin-right: 5px;"></div> <span>Draft report issued</span> </div>	<div style="display: flex; align-items: center;"> <div style="width: 20px; height: 20px; background-color: #90ee90; margin-right: 5px;"></div> <span>Final report issued</span> </div>
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Appendix 4

Internal Audit Plan for 2022/23

**APPENDIX A: ROLLING STRATEGIC PLAN**

Review Area	Type	2022/23	2023/24	2024/25
<b>Governance</b>				
Corporate Communications	Assurance	10		
Community Engagement	Assurance	10		
Health and Safety Management	Assurance	8		8
Collaborations	Assurance		10	
Strategic Resource Planning	Assurance		10	
Performance Management	Assurance			10
Business Continuity Planning	Assurance			8
<b>Risk</b>				
Risk Management Mitigating Controls (Collaborative in 2022/23)	Compliance	*1	6	6
<b>ICT</b>				
Cyber Security	Assurance	8		8
ICT Change Management	Assurance	8	8	
ICT Fixed Assets (Collaborative in (2022/23)	Assurance	*		6
Infrastructure Review	Assurance		8	
Data Assurance	Assurance		8	
Network Security				8

<sup>1</sup> \* denotes included as a collaborative review in 2022/23

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Review Area	Type	2022/23	2023/24	2024/25
<b>Finance</b>				
Budgetary Control	Assurance		6	
General Ledger	Assurance		6	
Payroll (Collaborative in 2022/23)	Assurance	*	10	10
Creditors (Collaborative in 2022/23)	Assurance	*		6
Debtors	Assurance			6
Pensions	Assurance	8		
Expenses and Additional Payments (Collaborative in 2022/23)	Assurance	*		8
Treasury Management	Assurance	4	4	4
Capital Programme (Collaborative in 2022/23)	Assurance	*		8
Counter-Fraud (Collaborative in 2022/23)	Compliance	*	6	6
<b>Estates and Fleet</b>				
Fleet Management – Repairs (inc BMW Issues)	Compliance	5		5
Fleet Management – Fuel	Compliance		6	
Fleet Strategy (Collaborative in 2022/23)	Assurance	*		
Estates Management – Delivery	Compliance	6		
Estates Management – Strategy	Assurance		6	
<b>Operational Performance and Infrastructure</b>				
Central Area – Command Unit	Compliance	8		
Eastern Area – Command Unit	Compliance		8	
Western Area – Command Unit	Compliance			8
Contract Management – (Building/ICT/Services Project 2022/23)	Compliance	6	6	6
Property Subject to Charge (Evidential Property)	Compliance	6		6
Vetting (uplift officers, new recruits and transferees)	Compliance	6		

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Review Area	Type	2022/23	2023/24	2024/25
Firearms Licensing	Compliance	6		
Procurement	Assurance		8	
Commissioners Grants	Assurance			6
<b>Workforce</b>				
Wellbeing and Strategy	Assurance	10		
HR Recruitment	Assurance	*		
HR Absence Management linked to Agility	Assurance	6		
Organisational Development	Assurance		7	
Occupational Health Unit	Assurance			5
HR Management Strategy	Assurance			10
<b>Follow Up</b>				
Follow Up	Follow Up	6	6	6
<b>Collaborative Reviews (Leads in brackets)</b>				
Risk Management (Lead Force: North Wales)	Compliance	5		
Fixed Assets (Lead Force: Dyfed Powys – Focus on ICT)	Compliance	5		
Payroll (Lead Force: Dyfed Powys – to include overpayments)	Assurance	8		
Creditors (Lead Force: Dyfed Powys)	Assurance	6		
Counter Fraud Procurement (Lead Force: South Wales)	Assurance	7		
Capital Programme (Lead Force: North Wales)	Assurance	6		
Fleet Management - Fleet Strategy lead Force: (South Wales)	Assurance	4		
Expenses/additional payment (Lead Force: Gwent)	Assurance	6		
HR - use of OLEEO (Lead Force: North Wales)	Assurance	5		
<b>Management and Planning</b>				

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Review Area	Type	2022/23	2023/24	2024/25
Liaison with Audit Wales	Management	2	2	2
Contingency	N/A		18	
Annual Planning	Management	4	4	4
Annual Report	Management	4	4	4
Audit Management	Management	18	18	18
<b>Total Days</b>		<b>201</b>	<b>175</b>	<b>182</b>

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**APPENDIX B: COLLABORATIVE ANNUAL PLAN – 2022/23**

Quarter	Review	Type	Days	High-level Scope
1	HR – Use of OLEEO	Assurance	5	The review will consider the work being led by North Wales Police on the benefits realised from the use of the OLEEO HR Recruitment System particularly in regard to recruiting to key or specialist posts. (Lead Force: North Wales)
2	Risk Management – Mitigating Risk	Compliance	5	Two risks which are included in the organisation’s Risk Register will be selected and the effectiveness of the identified controls will be reviewed. The review also considers the effectiveness of mitigating actions on outcomes. The scope of the review does not include consideration of all potential mitigating arrangements. (Lead Force: North Wales)
2	Expenses and Additional Payments	Assurance	6	The review checks compliance with the expenses and additional payments policy and procedure. The scope also looks at the effectiveness of the automated process, especially in light of the changes to mileage expenses in South Wales and Gwent. The scope of the review will not include any other aspect of the Payroll arrangements. (Lead force: Gwent)
2	Payroll	Assurance	8	The review considers the arrangements for: the creation, amendment and deletion of payroll records accurately and on a timely basis; payment of allowances and pay awards; collection of overpayments; and payment of salaries. The review will also consider the arrangements for reviewing the payroll prior to authorisation including the review of exception reports and pay variations. The scope of the review does not include determination of salary scales, the HR arrangements for appointment and removal of staff, severance payments or reimbursement of travel and subsistence expenses, or pension arrangements. (Lead Force: Dyfed-Powys)
2	Creditors	Assurance	6	The review considers the arrangements for reviewing and authorising and paying costs incurred by the organisation and the arrangement for control of the organisation’s cheques and automated payments. The review will consider the management of amendments to supplier standing data, including the verification of requests for change of bank details. The allocation and use of procurement cards will also be considered including the month end reconciliation to statements. The scope does not include providing an assurance that the expenditure was necessary or that value for money was achieved from the expenditure committed. (Lead Force: Dyfed-Powys)

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Quarter	Review	Type	Days	High-level Scope
2	Fixed Assets – ICT Assets	Compliance	5	<p>The review considers the identification of assets that need to be recorded in the asset register, the identification, locating and recording of assets including labelling and the appropriate useful life in line with stated policy; inventories; and the disposal of assets including identification of any surplus on disposal where sold and ensuring securely destroyed where necessary. A sample of assets will be verified as part of the review. The review will focus on ICT assets.</p> <p>The scope of the review does not include consideration of the purchasing, depreciation policies or insurance arrangements.</p> <p>(Lead Force: Dyfed-Powys)</p>
3	Capital Programme	Assurance	6	<p>The review considers the arrangements for accounting for the capital programme including the approval of the capital budget and priorities, the management of capital expenditure and variations, the adequacy of reporting and arrangements for dealing with slippage in projects or notification of additional funding. The scope of the review does not include consideration of the funding arrangements or the specification of the projects.</p> <p>(Lead force: North Wales)</p>
3	Counter-Fraud (Anti-Fraud Procurement)	Assurance	7	<p>The review considers the robustness of the organisation’s internal Anti-Fraud policy and associated policies in providing mitigation against fraud and/or the impact of fraud. In addition, the review will test for potential significant fraud exposures due to non-compliance with the Force’s procurement arrangements and/or inadequate or ineffective segregation of duties. The scope of the review will not include identification of all potential fraudulent transactions.</p> <p>(Lead Force: South Wales)</p>
3	Fleet Management – Strategy	Assurance	4	<p>The review considers the effectiveness of the arrangement for the management and replacement of the fleet of vehicles used by the Force and the Police and Crime Commissioner’s Office.</p> <p>(Lead Force: South Wales)</p>
<b>Total</b>			<b>52</b>	



## APPENDIX C: ANNUAL PLAN – NORTH WALES POLICE 2022/23

Quarter	Review	Type	Days	High-level Scope
1 (April 2022)	Contract Management – (Building/ICT/Services Project 2022/23)	Assurance	6	<p><u>Rationale</u> Key operational risk area.</p> <p><u>Scope</u> The review will consider the effectiveness of the contact management arrangements in relation to the Unit 34 – Housing Maintenance Solutions Ltd Contract.</p>
1	Property Subject to Charge (Evidential Property)	Compliance	6	<p><u>Rationale</u> Issues with compliance with Policy and Procedures in place and Limited Assurance assessment in previous recent review.</p> <p><u>Scope</u> The review will appraise the effectiveness of the controls over the arrangements for Property Subject to Charge.</p>
1	Wellbeing and Strategy	Assurance	10	<p><u>Rationale</u> Impact of Covid and remote working on staff</p> <p><u>Scope</u> The review will consider the Wellbeing Strategy and the arrangements for ensuring staff wellbeing and determine how the effectiveness of these arrangements is evaluated.</p>
1	Estates Management - Delivery	Compliance	6	<p><u>Rationale</u> Key risk area.</p> <p><u>Scope</u> The review appraises the development of the estates strategy and the adequacy of the arrangements for delivering this including stock and asset condition survey, identification of need for work and replacement, scheduling the work, monitoring, and authorising payments for planned and cyclical works.</p>
1	Central Area – Command Unit	Compliance	8	<p><u>Rationale</u> Key risk area, included in the plan on a cyclical basis.</p> <p><u>Scope</u> The review assesses compliance with the key corporate procedures for Financial, HR, Duty of Care and Service Delivery.</p>

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Quarter	Review	Type	Days	High-level Scope
1	Corporate Communications	Assurance	10	<p><u>Rationale</u> Key operational risk area.</p> <p><u>Scope</u> The review will consider the effectiveness of the Internal and External Communications strategies for the Force and the Police and Crime Commissioner.</p>
2	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 will consider the effectiveness of the Community Engagement strategies for the Force and the Police and Crime Commissioner.</p>
2	Pensions	Assurance	8	<p><u>Rationale</u> Key financial risk area.</p> <p><u>Scope</u> The review considers the arrangements for the management and control of the administration of pensions.</p>
2	ICT Change Management	Assurance	8	<p><u>Rationale</u> Rolling programme of technical ICT reviews covering key risk areas.</p> <p><u>Scope</u> The review considers 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. The review also identifies the requirements for a roll back plan where changes cause significant operational issues. The review will not consider the nature of any changes.</p>
2	Vetting	Compliance	6	<p><u>Rationale</u> High risk area if effective arrangements not in place.</p> <p><u>Scope</u> The review will assess compliance with the internal vetting policy. The scope of the review will not include providing assurance that all relevant staff and contractors are vetted.</p>

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Quarter	Review	Type	Days	High-level Scope
3	Cyber Security	Assurance	8	<p><u>Rationale</u></p> <p>Cybercrime is on the increase and a gap analysis against CESG ten steps to cyber security guidance provides a useful assessment of a public sector organisation’s maturity and potential areas of vulnerability to attack. The audit review and gap analysis focuses on Internet-originated attacks against an organisation’s information security.</p> <p><u>Scope</u></p> <p>The review considers the security management arrangements for the pro-active identification, prioritising and mitigating against cyber-crime risks. The scope of the review includes policies, procedures and risk management activities in place for the key elements of the CESG framework, including:</p> <ul style="list-style-type: none"> <li>• Information Risk Management Regime</li> <li>• Secure configuration</li> <li>• Network security</li> <li>• Managing user privileges</li> <li>• User education and awareness</li> <li>• Incident management</li> <li>• Malware prevention</li> <li>• Monitoring</li> <li>• Removable media controls</li> <li>• Home and mobile working</li> </ul>
3	Health and Safety Management	Assurance	8	<p><u>Rationale</u></p> <p>High risk area. Limited Assurance in 2021/22.</p> <p><u>Scope</u></p> <p>The review considers: the adequacy of the arrangements for managing the health and safety requirements of the Force. The review considers the arrangements for compliance with key requirements of health and safety legislation but does not represent an exhaustive review of compliance with all health and safety legislation and cannot be relied upon as such</p>

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Quarter	Review	Type	Days	High-level Scope
3	Treasury Management	Assurance	4	<p><u>Rationale</u> Key Audit risk area requested by the Joint Audit Committee.</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	Firearms Licensing	Compliance	6	<p><u>Rationale</u> High risk area if effective arrangements not in place.</p> <p><u>Scope</u> The review will assess compliance with the regulatory requirements and Force Policy for Firearms Licencing.</p>
3	HR Absence Management	Assurance	6	<p><u>Rationale</u> Review of HR Management arrangements included in each year of the plan.</p> <p><u>Scope</u> The review considers the arrangements for: recording, reporting and monitoring absence. The scope of the review will also consider the arrangements to promote wellbeing, agile working and reduce absence.</p>
3	Fleet Management – Repairs	Assurance	5	<p><u>Rationale</u> Key risk area especially with current BMW issues.</p> <p><u>Scope</u> The review will consider the effectiveness of the delivery of the fleet management repairs and maintenance arrangements, including the planning of services and MOT's, responsive repairs and general maintenance. The review will include focus on the BMW issues.</p>
1-4	Collaborative Audits	Appendix B	52	Details provided in Appendix B
1-4	Liaison with Audit Wales Management	Management	2	Ongoing liaison with Audit Wales.
4	Follow-up	Follow up	6	The review ascertains whether management action has been taken to address the priority 1 and 2 recommendations only arising from selected internal audit work carried out in the previous financial year and current year to date, ensuring the Organisation is implementing recommendations, and providing reports to the Joint Audit Committee.
1	Annual Planning	Management	4	Assessing the Police and Crime Commissioner and the Chief Constable's annual audit needs.

## Annual Report of the Joint Audit Committee – 2021/ 22

Quarter	Review	Type	Days	High-level Scope
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	Audit Management	Management	18	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Joint Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
		<b>Total days (including collaborative days)</b>	<b>201</b>	