

Background

This is the sixth report of the Dorset and Devon and Cornwall Independent Audit Committee (the Committee or IAC) to the Chief Constables and Police and Crime Commissioners of both Forces (the four corporations sole). It covers the period from April 2023 to March 2024.

The background for a single Committee was given in the 2019/20 annual report. It provides independent advice and assurance for functions across both Force areas. This is a significant benefit with a shared Alliance finance department, single internal audit system and a single external audit provider.

The Committee's terms of reference set out its purpose: to *'provide independent advice, assurance and recommendations to the Chief Constables and Police and Crime Commissioners of Devon & Cornwall and Dorset, on the adequacy of governance and risk management frameworks, internal control environments and financial reporting, thereby helping to ensure efficient and effective assurance arrangements.'* Separate operating principles complement the terms of reference. Both are reviewed and amended annually, or when necessary. The scope of the Committee's activities and its terms of reference are shaped heavily by the CIPFA Practical Guidance Code for local authorities and police audit committees.

This report covers the period during which there were further changes in the Committee's membership, as well as leadership in the Devon and Cornwall forces. The resignation of one Committee member in June 2023, has meant that the IAC has operated with just 4 members since that date. Jim Colwell took on the role of Acting Chief Constable for Devon and Cornwall from July 2023 and in Dorset, Amanda Pearson served her first full year as Chief Constable. Both Chief Constables and both Police and Crime Commissioners have provided input to some of the Committee's meetings in the year and members look forward to continuing to build on those foundations.

Members took full advantage of technology for meetings, sharing papers and team interaction. No meetings were held in person and none were delayed or cancelled.

The Chartered Institute of Public Finance and Accountancy (CIPFA)¹ framework of knowledge and skills for audit committees of police bodies is applied through the year to identify training needs and for self-evaluation. CIPFA recommends annual evaluation and reporting to the four corporations sole using that framework. The Alliance senior audit manager leads on this evaluation and Committee members adhere to the CIPFA guidance. Appraisals for 2024 have yet to take place, but areas for development or training have been identified through the informal meetings held by members and the self-assessment that is covered later in this report.

We offer the Chief Constables and Police and Crime Commissioners this report to increase understanding of the Committee's work and impact in supporting governance

¹ Chartered Institute of Public Finance and Accountancy; Practical Guide for Local Authorities and Police, 2022 Edition

and providing assurance. The Committee seeks openness and following your consideration intends to arrange for publication of the report on your websites.

Overview of 2023/24 activity

Aside from the challenge that results from having a long-term vacancy, 2023/24 has seen less change than in the previous year. The national guidelines have remained the same, leadership of the four corporations sole has been stable, and the roles taken on by individual members has developed. Terms of reference and operating principles have been reviewed and updated, but without major amendment.

It is evident that during a typical year there are around 100 papers to read and review, along with additional reports and reading from professional organisations. 2023/24 has been a typical year in that respect. After each Committee meeting a summary of the main issues considered and any areas where further attention may be required is prepared for the heads of the four corporations sole. This also provides a useful record, outside of the formal minutes, of the key issues covered during the year. Unsurprisingly much of the Committee's work covered the production of budgets, auditing of the accounts, the work of internal and external auditors, risk management arrangements, treasury management activity and the annual governance statements. As in the previous year, particular attention was again given to external audit arrangements, including Auditor performance in Dorset and Devon & Cornwall, as well as the continuing national malaise in the achievement of audits in the local government and police sectors. The Committee is pleased to see that there is now a drive and set of actions to address the national challenges of public sector audit. Members remain concerned however that, until those actions prove effective, public accountability is weakened and risk heightened. Locally, the Committee recognises that the working arrangements and mutual understanding between the officers and external auditors has been strengthened. Although concerns remain over the impact of delayed audit opinions, it is pleasing to note that the expected large increase in the qualification of audit opinions is unlikely to apply locally.

Appraisal and assessment of the Committee's work and coverage is built into the working processes. In particular, the Alliance Senior Audit Manager reviews the coverage of the Committee's work and compares this against CIPFA guidance. Areas for development or improvement as a result of that assessment are covered in the final section of this report.

Four formal Committee meetings were held using Microsoft Teams. Members also met informally (via Teams) between each formal meeting. These meetings help plan future work and share information and knowledge. No decisions are taken at these informal meetings. The year also saw each member take a lead on subjects that fall within the Committee's terms of reference. As a result, some of the Committee's work has been more focused and may well have reduced demands made on officers.

The changes made to ensure major reports are circulated in advance or filed in the members secure system and not held until the next scheduled IAC meeting have also helped reduce demand on both officers and Committee members. Similarly, the

avoidance of setting out in advance likely questions that will be asked by Members has simplified matters.

The most disappointing aspect of the Committee's activities has been the failure to find a solution to remote working for Committee members. Whilst the officers have been working to try to find and implement a solution, their actions have so far proved unsuccessful. This impacts on the ability of some members to access records, take part in meetings and receive communications from officers. Temporary arrangements have largely minimised the impact, but at a cost of increased efforts by some staff and members. A solution will need to be found, if the Committee is to be fully effective. Members live across a wide geographical area and remote working assists in achieving efficiencies.

The Committee recognises that it cannot achieve its aims without the support, commitment and work of officers. Members value this support and again place on record appreciation of the work by many officers and others in supporting the Committee or in preparing and presenting reports and papers. The Committee would also take the opportunity to record the contribution made by the Devon and Cornwall Director of Finance, who retired at the end of the Committee's year. Her contribution in helping to initially establish and then support the Committee was considerable.

More detail about the Committee's work is in the following sections.

Promoting the principles of good governance

To fulfil its role of assurance on the adequacy of governance and risk taking the Committee receives reports regularly throughout the year. Arrangements for corporate governance for both forces are kept under review. Internal audit judges the effectiveness of governance arrangements and risk control to be 'reasonable' with 'no significant risks' identified.

The Annual Governance Statements (AGSs) are produced by all four corporations sole. A key responsibility of the Committee is to review these and ensure they properly reflect the governance, risk and control environments. Devon & Cornwall produce a joint PCC and force statement; Dorset a separate statement for each corporation sole but all are written following the same format.

The AGSs are presented to the Committee as part of its annual work plan. These provide an important framework for ensuring that the Committee fulfils all its responsibilities during the year.

Updated Codes of Corporate Governance have been published on the websites for both forces. There are arrangements in place for a review of governance on an annual basis using assurance maps, along with a biennial review of the Code of Corporate Governance.

The internal auditors review key aspects of governance during the year including financial governance work for both forces and OPCCs. They offer a Reasonable Assurance opinion (see next section).

The Committee reviewed its Terms of Reference and Operating Principles to ensure they remain relevant in light of the CIPFA code of guidance. Members are also pleased to report that full transparency was achieved, with all scheduled items considered in open sessions.

In previous year's reports the Committee has included some specific sections about environment, sustainability and equality matters. These are crucial matters for all organisations, but the Committee's terms of reference and the scope of its work does not extend specifically to examining these matters. However, they are important elements that the four corporations sole must demonstrate are considered within the overall arrangements for good governance. The Committee will include in its future workplan, a more detailed examination of the evidence available to demonstrate the effectiveness of the governance arrangements for environmental, sustainability and equality matters.

Our examination during the past year has focused on how such matters are covered in the AGSs along with their respective Governance Assurance frameworks and assurance maps.

Considerable progress has been made on establishing a framework for developing policies and actions, as well as monitoring progress on environmental sustainability. The assurance map covers not only both forces, but regional activities too. The assurance map clarifies responsibilities and accountabilities and sets out how independent assurance is obtained. It is clear from the assurance map that further actions are required in order to achieve fully satisfactory outcomes. The Committee commented that the actions in the draft AGS would benefit from further detail before the approach to environmental sustainability could be considered completed. For example, insufficient evidence has been demonstrated to suggest that the forces are fully compliant with the national sustainability agenda 2030.

The governance assurance statements that form part of the AGSs cover several important principles. Principle C deals with defining outcomes for the forces in terms of sustainable economic, environment and social benefits. The priorities and objectives are covered in the Police and Crime Plans. Scrutiny of these plans is a matter for the Police and Crime panels and provides a further opportunity to ensure the four corporations sole place appropriate emphasis on long term sustainability.

Effective control environment and supporting the quality and independence of internal audit

In April 2023 and September 2023, the Committee considered and approved draft internal audit plans proposed by the South West Audit Partnership (SWAP), now on a rolling six-month basis. These plans were aligned to the key components in the Force Management Statements. The internal audit plan makes clear the extent of coverage of functions i.e., good, adequate, or some coverage; as well as where there was none.

Where there is no coverage SWAP advised that such assurance should be sought from other sources, including reports from His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). The different sources of assurance were mapped. This confirmed that a governance mechanism for sufficient and appropriate assurances was in place for the corporations sole.

The Committee also reviewed the internal audit charter describing functional reporting arrangements, scope and authority of internal audit work and quality requirements of the internal auditor.

The Committee gave support to internal audit and constructive challenge to the executive by reviewing the plan and progress reports regularly and considering management responses and target dates for action. Provision of full audit reports outside of Committee papers allowed detailed findings, management responses and target dates for implementation to be reviewed. Members reviewed these and raised questions at the following meeting. It also allowed the Committee to challenge significant gaps in timelines from the start of an audit to reporting. The Committee was assured by routine monitoring of audit recommendations being implemented within audit governance arrangements. The Committee raised concerns about the level of accountability for the completion of internal audit actions, and following liaison with the S151 officers, Members welcomed proposed new arrangements for the Committee to provide independent scrutiny and challenge to the process. Any amendments to the agreed plan for internal audits, whether additional, deferred or replaced, were reported quarterly to the Committee.

In June 2024, SWAP brought its 2023/24 annual report for the four corporations sole to the Committee. The Audit Opinion stated: "On the balance of our 2023/24 audit work for Dorset Police & OPCC and Devon and Cornwall Police & OPCC, enhanced by the work of external agencies, I am able to offer a Reasonable Assurance opinion in respect of the areas reviewed during the year."

Arrangements for the governance of risk

Successful risk management arrangements are key to strong governance and therefore an area that requires close attention from the Committee. Important changes have been made during 2023/24. Risk management updates are given twice yearly, with full risk registers made available to members on their dedicated disk drive. Executive risk management training has been undertaken and the training is being delivered to all risk management owners. IAC members find arrangements for the governance of risk to be effective.

In Devon & Cornwall a new Force Management Risk Register (FMRR) has been introduced. The previous Risk Register and process had a thematic structure. Under the new FMRR process, each area of the Force is proactively scrutinised, and a Risk Statement produced. The process is designed to work in conjunction with the Force Management Statements, to identify and record the actions required to mitigate the

risks and track their progress to address the risk. A key recommendation from the external auditor – that a summary of key risks is considered by the Force executive - has been implemented.

In last year's report, the Committee had expressed concern about risk management arrangements in Alliance departments, which evolved alongside the new responsibilities for day-to-day management of risk in both Forces. These concerns were mitigated by the increased rigour in risk management by the Planning and Performance Manager in Devon & Cornwall, and Dorset's Risk Manager. Risk deep dives into departments in the Strategic Alliance are now being conducted at bi-monthly Joint Executive Board (JEB) meetings. During the year, the Committee was pleased to note that the Joint Executive Board (JEB) agreed a recommendation to adopt a single set of risk scoring guidelines across both forces and the Strategic Alliance departments to increase the consistency of risk scoring. The IAC was provided with the revised scoring guidelines.

Assurance frameworks and assurance planning

The Committee's terms of reference include the requirement to consider governance and assurance frameworks and report on their effectiveness. Following the significant changes in leadership that had taken place in both forces, as well as several new committee members now serving on the Committee, members were keen to ensure its work focused on the areas where leaders sought assurance from the Committee. Views from the Executive on the IAC workplan were obtained.

Regular reports from external and internal audit at each meeting provided information on the effectiveness of assurance frameworks in practice. It was noted that the strategic boards within the four corporations sole performed an important role in the assurance framework. The annual workplan covered the review of key documents such as Annual Governance Statements and Treasury Management reports.

The independence of SWAP was underlined in its Internal Audit Charter, defining its role as an 'independent, objective assurance and consulting activity', with no responsibility for any of the activities which it audits. Members of the Executive declared any interest as a director of SWAP or membership of its Owners Board on behalf of regional forces.

The Committee continues to monitor progress against the actions and recommendations from the internal auditors. Strengthening of the actions taken to improve the meeting of deadlines is covered in a previous section. External audit is dealt with elsewhere in this report.

The uncertainty surrounding future funding levels together with the inflationary pressures imposed on the forces were noted. It was recognised that good assurance was central to being up to date on current risks and mitigation for the

forces and OPCC. The Committee resolved to continue to seek assurance through the IAC meeting that internal controls and governance are both in place and working effectively.

Supporting the development of robust arrangements for Value for Money (VfM)

The Committee continues to take a wide view on what constitutes 'robust arrangements'. VfM can be measured in several ways which evidence improving economy, efficiency and effectiveness. This is now more prevalent in the current economic environment with the effect of inflation impacting upon all the resources to deliver the service on a day to day basis. This meant that the Committee continued to look in depth and challenged the governance and the financial sustainability over the medium term which included the 2023/24 outturn position, MTFP, cash flow forecast and the Reserves Policy. These areas were constantly reviewed throughout 2023/24. Both forces have dealt well with this pressure during 2023/24. However, the 2024/25 budget has been challenging for all forces.

Assurance was gained from the Annual Governance Statements, risk management arrangements, budget planning and monitoring, audits and HMICFRS performance dashboard.

In addition to informing business cases and plans to achieve savings, the 2024/25 budget process incorporated greater use of the data.

At the meeting on 6 December 2023 Grant Thornton presented the Devon and Cornwall Annual Audit Report for both 2021/22 and 2022/23 which found a significant weakness in Value for Money arrangements. This followed the imposition of enhanced monitoring after the PEEL inspection. There was a significant amount of debate and challenge on this area, but it is clear that external auditors would inevitably conclude that VfM arrangements would be deemed unsatisfactory whilst the Force remained under enhanced monitoring.

At the meeting on 3 April 2024, Grant Thornton presented the interim Dorset Annual Audit Report for both 2021/22 and 2022/23 in which all three areas for both years were green indicating no significant weaknesses in Value for Money arrangements found and no improvement recommendations made. This is extremely positive.

External audit and inspection

The role of the Committee includes considering the work of the appointed external auditors, Grant Thornton (GT), for all four corporations sole. Public Sector Audit Appointments Ltd (PSAA) is responsible for appointing the external auditors. The appointed auditors provided written reports and were represented at all Committee meetings.

The Committee was disappointed with the continuing delays being experienced by both forces to the delivery of audited financial statements. The Committee highlighted the continual increased risk to both forces because of these delays.

Heightened risks included financial and value for money assessments that may have been up to two years out of date at a time when challenging financial positions require reliable bases for future planning, as well as reduced accountability to the public. The Committee recognised however that the financial management in all four corporations sole was strong, and the greatest risk was the adverse impact on the workflow and wellbeing of the Finance team.

By October 2023 the risks and concerns previously highlighted by the Committee in relation to External Audit delivery remained. Heightened risks now included overlap from the delays to the Dorset 2021/22 audit, and the predicted start of audit work on the Devon and Cornwall 2022/23 accounts, work on which did not appear achievable given the then level of audit resources. By April 2024 positive progress was reported against audits in both Forces, with an unqualified audit opinion for the Devon & Cornwall 2022/23 accounts. A similar unqualified opinion was anticipated for the Dorset 2021/22 and 2022/23 accounts.

Promoting effective public reporting of accounts, partnership governance and accountability

The continuing difficulties associated with completing the external audit of the financial statements across the country was discussed at every meeting of the committee. In the second part of the year, a major focus was the process for addressing the audit backlog and proposals for backstop arrangements, along with the potential consequence of receiving qualifications on the auditor's opinion. Again, this year the draft accounts were produced for all four corporations sole within the statutory deadlines. However, the difficulties with scheduling and performing the external audits led to consideration and examination of the accounts over a prolonged period. It remains the Committee's strong view that these delays weaken public accountability.

A consequence of the Audit backlog is that the accounts and audit finding reports were taken at different meetings throughout the year. As well as the external audit findings, the Committee considered the Chief Finance Officers' narrative and outturn reports and the accounts for Dorset and Devon and Cornwall were also examined in detail.

Several questions and challenges about the accounts were raised with officers. These covered the valuation of property and pensions, as well as timing of the pension audits. The Committee compares differences in accounting treatment or approach to items such as the required level of reserves. This is a strength of a committee covering both Force areas as it helps with comparative information. In all cases the officers provided explanations. This allowed the Committee to provide assurance over the quality and depth of financial reporting, despite external challenges.

The major area of partnership continues to be the joint arrangements between the two Forces. Governance of these areas is dealt with in the comprehensive Annual Governance Statements (AGSs). These were reviewed at the Committee's meetings in April 2023 and April 2024. The Committee noted that the improvements in relation to risk management which had been highlighted in an internal audit, which was also a regular theme through the year.

Ethical values

The Committee was pleased to see the prominence now given to encouraging and supporting strong ethics in both forces. Such prominence assists the Committee in providing assurance. Reports to the Committee provide an overview of the ethical standards required.

In last year's report the Committee identified the processes in place in both Forces to encourage and provide advice on ethical dilemmas. These arrangements continue to work well. Members continue to welcome the open invitation to observe an Ethics Committee.

In 2023/24 the Committee's focus has been on the development on the new national code. At the start of the Committee's year, the Dorset Deputy Chief Constable Sam De Reya, as NPCC lead for Ethics, gave a verbal update on ethical training plans for the following year. She advised that networking and training continues to ensure connections are in place, gave an overview of the process and how work is carried out to capture ethical dilemmas before things develop. Both forces had been working with the National Police Coordination Centre (NPCC) and College of Policing (CoP) on the new code of ethics.

The Committee was given a verbal update on the new Code on September but was disappointed to note that publication had been delayed. The new national police Code of Ethics (2024) was eventually published by the College of Policing at the end of the Committee's year. It outlines the professional behaviours that communities expect to see of police officers, member of police staff or volunteers. The Committee is now seeking information on the training and roll out of the new Code in order to provide assurance.

Treasury Management

The Committee's role is to provide assurance that the components of effective Treasury Management are established, applied and actions taken to deal with changes in circumstances. To fulfil this role effectively the Committee accesses annual training and considers extensive reports.

The Committee reviewed Treasury Management strategies at its December meeting, their inter-relationships with capital and borrowing strategies and considered performance outcomes of all strategies. This enabled the Committee to provide assurance that effective arrangements are established in both Force areas. Recognition of the emphasis that must be placed on reducing risk was evident in the strategies. At this meeting the Committee also received its 2023/24 mid-year report from organisations which ensured compliance with the Prudential and Treasury Management code revisions which were changed for this reporting year.

The strategies continued to follow an approach acknowledging how increasing interest rates require a mixed approach use of internal borrowing and short-term loans. Importantly, operational arrangements mean that changes can be made dependent on the fluctuation of interest rates to ensure the safest and best use of working capital.

For Dorset it was noted that borrowing increased due to the cost of the building of the new headquarters which is funded by borrowing in 2022/23 and 2023/24.

Treasury Management refresher training took place in May 2024 at an online meeting using 'in-house' expertise rather than an external provider. It was, therefore, tailored to members' needs and allowed for greater interaction with all participants. It means the Committee is well placed to continue to perform its role for the forthcoming year.

Membership and plans for 2024-25

Towards the end of each year an assessment and evaluation of the Committee's role and work is carried out. The evaluation is undertaken by the Senior Audit Manager against the revised CIPFA guidance and helps to identify areas where the Committee will consider further coverage or give greater emphasis to its work in the following year. In addition, the senior Audit Manager and each Committee member completes CIPFA's self-assessment of good practice. These evaluations and self-assessments also help to identify training requirements. A copy of the Senior Audit Manager's evaluation for the 2023/24 is attached as an Appendix.

In last year's evaluation a few issues were raised for consideration or adoption during 2023/24. As a result:

- occasional meetings between Chair and Vice Chair and the heads of the corporations have been held or scheduled. These help to ensure the Committee's work is understood and remains relevant.
- minutes have been finalised and circulated more promptly.
- feedback on the IAC annual report was formalised.
- governance arrangements for collaborations and arm's length arrangements have been reviewed.
- no action was taken to extend the Committee's workplan to include review of major projects governance or the effectiveness of performance management arrangements.

2023/24 saw each member take on a lead role for themes which fall under the Committee's agreed Terms of Reference. These cover:

- Financial planning and reporting, external auditing, treasury management
- Equality and diversity, ethics, values, counter fraud and corruption
- Internal audit and risk management
- Governance framework, including AGS and sources of assurance (mapping)
- Committee planning, operation, co-ordination, reporting, training and development, relationships with other IACs and principal liaison with officers

So far, the lead membership role has had some success, with greater focus and attention being given to some key aspects of the Committee's work – most notably internal audit and risk management. The approach has also identified some area where further attention is required – most notably demonstrating the effectiveness of the governance arrangements for environmental, sustainability and equality matters, which is covered in promoting good governance section of this report.

The self-assessment and review by the Senior Audit Manager use the CIPFA guidance and has 29 questions, under four broad headings. These are:

- Audit committee purpose and governance
- Functions of the committee
- Membership and support
- Effectiveness of the committee

Full compliance is scored 5 (out of 5). The following questions scored less than 5 (this is by everyone, not an average; no score was less than 3) and will therefore be considered further in 2024/25:

- Over the last year, has adequate consideration been given to all core areas?
- Has the committee met privately with the external auditors and head of internal audit in the last year?
- Is adequate secretariat and administrative support provided to the committee?
- Are meetings effective with a good level of discussion and engagement from all the members?
- Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?
- Do audit committee recommendations have traction with those in leadership roles?
- Has the committee evaluated whether and how it is adding value to the organisation?
- Does the committee have an action plan to improve any areas of weakness?

Actions taken as a result of consideration of these questions will be reported in next year's report.

Finally, at the time of preparing this report, a recruitment process is in place to ensure the Committee is restored to the full 5 members.

Tom Grainger (Chair)

Gordon Mattocks

Phil Rook (Vice Chair)

Rachael Tiffen

David Bowles (until June 2023)

Evaluating the impact and effectiveness of the audit committee 2023/2024

The audit committee's effectiveness should be judged by the contribution it makes to and the beneficial impact it has on the Force and OPCC business. Since it is primarily an advisory body, it can be more difficult to identify how the audit committee has made a difference. Evidence of effectiveness will usually be characterised as 'influence', 'persuasion' and 'support'.



Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
<p>Promoting the principles of good governance and their application to decision making.</p>	<ul style="list-style-type: none"> • Supporting the development of a local code of governance. • Providing a robust review of the AGS and the assurances underpinning it. • Supporting reviews/audits of governance arrangements. • Participating in self-assessments of governance arrangements. • Working with partner audit committees to review governance arrangements in partnerships. 	<ul style="list-style-type: none"> • Elected members, the leadership team and senior managers all share a good understanding of governance, including the key principles and local arrangements. • Local arrangements for governance have been clearly set out in an up-to-date local code. • The authority's scrutiny arrangements are forward looking and constructive. • Appropriate governance arrangements established for all collaborations and arm's-length arrangements. • The head of internal audit's annual opinion on governance is satisfactory (or similar wording). 	<p><i>Lack of reporting on governance arrangements for collaborations and arm's length arrangements. (Regional Forensics / ROCU / Regional Procurement / Pensions Board). This is an area reported within the AGS for 2023/24. Obviously, the biggest collaboration is the Alliance which is reported upon due to the joint IAC.</i></p> <p><i>Local Code presented to IAC for review every two years for the update.</i></p> <p><i>Draft AGS reported to IAC for comment prior to finalisation by the S151 Officers.</i></p> <p><i>SWAP have created training and engagement with other local police audit committees.</i></p>

<p>Contributing to the development of an effective control environment.</p>	<ul style="list-style-type: none"> • Encouraging ownership of the internal control framework by appropriate managers. • Actively monitoring the implementation of recommendations from auditors. • Raising significant concerns over controls with appropriate senior managers. 	<ul style="list-style-type: none"> • The head of internal audit's annual opinion over internal control is that arrangements are satisfactory. • Assessments against control frameworks such as CIPFA's FM Code have been completed and a high level of compliance identified. • Control frameworks are in place and operating effectively for key control areas – for example, information security or procurement. 	<p><i>Audit Action updates are presented to IAC every six months during 2023/24. Going forward the committee will have an enhanced role and reports will be presented quarterly during 2024/25.</i></p> <p><i>Ability for the committee to request attendance at IAC for explanations on delays in implementing audit actions.</i></p>
<p>Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.</p>	<ul style="list-style-type: none"> • Reviewing risk management arrangements and their effectiveness, e.g. risk management maturity or benchmarking. • Monitoring improvements to risk management. • Reviewing accountability of risk owners for major/strategic risks. 	<ul style="list-style-type: none"> • A robust process for managing risk is evidenced by independent assurance from internal audit or external review. 	<p><i>A six-monthly update is presented to IAC, together with copies of the Risk Registers available to IAC members on their network drive.</i></p>
<p>Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.</p>	<ul style="list-style-type: none"> • Reviewing the adequacy of the leadership team's assurance framework. • Specifying the committee's assurance needs, identifying gaps or overlaps in assurance. • Seeking to streamline assurance gathering and reporting. • Reviewing the effectiveness of assurance providers, eg internal audit, risk management, external audit. 	<ul style="list-style-type: none"> • The authority's leadership team have defined an appropriate framework of assurance, including core arrangements, major service areas and collaborations and external bodies. 	<p><i>Assurance framework is spread across the force.</i></p> <p><i>An overall assurance picture is a current discussion with the IAC audit topic lead.</i></p> <p><i>Progress with SWAP to deliver an overall assurance dashboard is now in development.</i></p>

<p>Supporting effective external audit, with a focus on high quality and timely audit work.</p>	<ul style="list-style-type: none"> • Reviewing and supporting external audit arrangements with focus on independence and quality. • Providing good engagement on external audit plans and reports. • Supporting the implementation of audit recommendations. 	<ul style="list-style-type: none"> • The quality of liaison between external audit and the authority is satisfactory. • The auditors deliver in accordance with their audit plan, and any amendments are well explained. • An audit of high quality is delivered. 	<p><i>External Audit do not meet independently with the Committee. Significant delays beyond the control of the Audit Committee have led to this area not being delivered effectively. The Committee has persistently challenged External Audit on delivery and improvements are being seen. The Committee Chair has made contributions to the national debate on actions to overcome the current crisis in external auditing of public bodies.</i></p>
<p>Supporting the quality of the internal audit activity, in particular underpinning its organisational independence.</p>	<ul style="list-style-type: none"> • Reviewing the audit charter and functional reporting arrangements. • Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements. • Actively supporting the quality assurance and improvement programme of internal audit. 	<ul style="list-style-type: none"> • Internal audit that is in conformance with PSIAS and LGAN (as evidenced by the most recent external assessment and an annual self-assessment). • The head of internal audit and the organisation operate in accordance with the principles of the CIPFA Statement on the Role of the Head of Internal Audit (2019). 	<p><i>Internal Audit meet independently with the Chair, but not with the entire committee. The audit charter sets out that SWAP comply with the PSIAS and LGAN, which is presented to IAC. An external assessment of SWAP is undertaken every 5 years. (Next Due 2024). Due to the new IIA standards this is being undertaken during 2024-25.</i></p>

<p>Aiding the achievement of the authority's goals and objectives by helping to ensure appropriate governance, risk, control and assurance arrangements.</p>	<ul style="list-style-type: none"> • Reviewing how the governance arrangements support the achievement of sustainable outcomes. • Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place. • Reviewing the effectiveness of performance management arrangements. 	<ul style="list-style-type: none"> • Inspection reports indicate that arrangements are appropriate to support the achievement of service objectives. • The authority's arrangements to review and assess performance are satisfactory. 	<p><i>Annual Governance Statement for all four corporation soles are presented to IAC in draft format for comment and consideration.</i></p> <p><i>The review of Major Projects governance is not part of the Document Forward Plan for IAC. But can be raised as an area that they require assurance on at any time. Effectiveness of Performance Management arrangements is not currently part of the forward plan work for IAC.</i></p>
<p>Supporting the development of robust arrangements for ensuring value for money.</p>	<ul style="list-style-type: none"> • Ensuring that assurance on value-for-money arrangements is included in the assurances received by the audit committee. • Considering how performance in value for money is evaluated as part of the AGS. • Following up issues raised by external audit in their value-for-money work. 	<ul style="list-style-type: none"> • External audit's assessments of arrangements to support best value are satisfactory. 	<p><i>An annual report on a review of the Value for Money reports prepared by CIPFA is presented to IAC. Issues they raise are made to the Head of Finance and S151's who attend the Committee. External Audit also report on Value for Money. VFM audits contained within the annual Internal Audit plan.</i></p>

<p>Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.</p>	<ul style="list-style-type: none"> • Reviewing arrangements against the standards set out in the <i>Code of Practice on Managing the Risk of Fraud and Corruption</i> (CIPFA, 2014). • Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks. • Assessing the effectiveness of ethical governance arrangements for both staff and governors. 	<ul style="list-style-type: none"> • Good ethical standards are maintained by both elected representatives and officers. This is evidenced by robust assurance over culture, ethics and counter fraud arrangements. 	<p><i>An annual update on the Ethics Committee and activities undertaken in both forces is presented to IAC. Actively monitoring the implementation of the new code of Ethics.</i></p> <p><i>The Fraud & Corruption Policy and Fraud Strategy, which sets out how the potential for Fraud & Corruption internally is managed and what is in place to address those risks, are presented to IAC.</i></p> <p><i>Fraud reporting is also reported to IAC every six months. Annual report on NFI also presented to IAC.</i></p>
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<p>Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.</p>	<ul style="list-style-type: none"> • Working with key members/the PCC and chief constable to improve their understanding of the AGS and their contribution to it. • Improving how the authority discharges its responsibilities for public reporting – for example, better targeting the audience and use of plain English. • Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency. • Publishing an annual report from the committee. 	<ul style="list-style-type: none"> • The authority meets the statutory deadlines for financial reporting with accounts for audit of an appropriate quality. • The external auditor completed the audit of the financial statements with minimal adjustments and an unqualified opinion. • The authority has published its financial statements and AGS in accordance with statutory guidelines. • The AGS is underpinned by a robust evaluation and is an accurate assessment of the adequacy of governance arrangements. 	<p><i>The preparation of the financial reporting is achieved by the statutory deadlines, however due to the External Audit delays the publishing of audited accounts is not being achieved.</i></p> <p><i>Going concern reports presented for each force by the OPCC Treasurer annually.</i></p> <p><i>The AGS is reviewed by IAC at the draft stage to ensure it meets the needs to better target the audience and the use of plain English.</i></p> <p><i>Governance charts were requested to improve the visual display for the target audience, and this has been included within the 2023/24 AGS statements.</i></p> <p><i>An annual report is prepared by IAC every year and published.</i></p>
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