



Independent Audit Committee

Meeting: Tuesday, 26th September, 2023 at 9.30 am
Venue: Microsoft Teams

AGENDA

- 1. Apologies for absence**
To record apologies for absence received from members.
- 2. Declarations of Interest, Equality and Health and Safety Obligations**
To receive any new declarations by members of (a) personal interest [including their nature] and (b) prejudicial interests and to remind members of their responsibility to consider equality and health and safety in all their decisions.
- 3. Minutes [FOIA - Open]**
To confirm the open minutes from the previous Independent Audit Committee.
To be presented by the Chair.
- 4. Action Log [FOIA - Open]**
To review the action log and receive updates for ongoing actions.
- 5. Significant Committee Business [Verbal]**
To be presented by the Chair.
- 6. Internal Audit Quarterly Report [FOIA - Open]**
To be presented by SWAP
- 7. Internal Audit Plan - Second Half of the Year [FOIA - Open]**
To be presented by SWAP
- 8. External Audit Quarterly Report [FOIA - Open]**
To be presented by Alex Walling, Grant Thornton
- 9. Statement of Accounts for Dorset 2021/22 [FOIA - Open]**
To be presented by Julie Strange and Neal Butterworth
 - a) The PCC and group accounts
 - b) The Chief Constable's accounts
- 10. External Audit Joint Annual Audit Findings 2021/22 [FOIA - Open]**
To be presented by Alex Walling, Grant Thornton
 - a) Devon and Cornwall

b) Dorset

11. External Audit Letters of Representation 2021/22 - Dorset [FOIA - Open]

To be presented by Alex Walling, Grant Thornton

12. Risk Register Update [FOIA Closed s.31]

To be presented by Phil Rigg and Teri Roberts

a) Devon and Cornwall

b) Dorset

13. CIPFA Financial Management (FM) Model [FOIA - Open]

To be presented by Robin Wheeler

14. Annual Review of the Terms of Reference and Operating Principles [FOIA - Open]

To be presented by Karen James

15. Annual Assurance Mapping Report [FOIA - Open]

To be presented by Jo George

16. Verbal Update by the Chief Constable/PCC (Open Invitation) D&C

To be presented by PCC/Chief Constable

17. Verbal Update by the Chief Constable/PCC (Open Invitation) Dorset

To be presented by PCC/Chief Constable

18. Feedback to Corporations Sole [FOIA - Open]

To be presented by the Chair

Attendance

Tom Grainger	Chair
Gordon Mattocks	Committee Member
Phil Rook	Committee Member
Rachael Tiffen	Committee Member
Alex Walling	Director (Grant Thornton)
David Hill	Chief Executive South West Audit Partnership
Charlotte Wilson	Assistant Director South West Audit Partnership
Nicola Allen	Treasurer (OPCC D&C)
Sandy Goscomb	Director of Finance and Resources (D&C)
Julie Strange	Treasurer (OPCC Dorset)
Neal Butterworth	Chief Financial Officer (Dorset)
Lucinda Hines	Head of Technical Accounting (Alliance)
Robin Wheeler	Head of Finance
Karen James	Head of Alliance Audit, Insurance and Strategic Risk Management
Jo George	Senior Audit Manager
Teri Roberts	Strategic Risk Manager (Dorset)
Phil Rigg	Planning & Performance Manager (D&C)
Jim Colwell	Devon and Cornwall Acting Chief Constable
Amanda Pearson	Dorset Chief Constable
Simon Bullock	Chief Executive (OPCC Dorset)
Pierre Doutreligne	OPCC Policy & Projects Officer (minutes)

Apologies

Becky Greaves	Audit Manager, Grant Thornton
Alison Hernandez	Police and Crime Commissioner (Devon and Cornwall)
David Sidwick	Police and Crime Commissioner (Dorset)
Frances Hughes	Chief Executive (OPCC Devon and Cornwall)

The Public Sector Equality Duty (PSED) as set out in **section 149 of the Equality Act 2010** requires public bodies to have **due regard** to the need to:

Eliminate unlawful discrimination, harassment, victimisation and any other prohibited conduct prohibited by the Act; and

Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and

Foster good relations between people who share a protected characteristic and people who do not share it.

Protected Characteristics are age; disability; gender reassignment; pregnancy and maternity; race (including ethnic or national origins, colour or nationality; religion or belief (including lack of belief); sex and sexual orientation.



**DORSET
POLICE**



PCC
Office of the Police
and Crime Commissioner
Devon and Cornwall



DORSET
POLICE & CRIME
COMMISSIONER
DAVID SIDWICK

Independent Audit Committee

Tuesday 27 June 2023 at 09:30

Via Microsoft Teams

MINUTES

Attendance

Tom Grainger
Gordon Mattocks
Phil Rook
Rachael Tiffen
David Bowles
Nicola Allen
Sandy Goscomb
Robin Wheeler
Becky Greaves
Jo George
Charlotte Wilson

Neal Butterworth
Pierre Doutreligne

Chair
Committee Member
Committee Member
Committee Member
Committee Member (Part of the Meeting)
Treasurer (OPCC D&C)
Director of Finance and Resources (D&C)
Chief Finance Officer (Dorset)
Grant Thornton
Senior Audit Manager
Assistant Director South West Audit
Partnership
Chief Financial Officer – Dorset
Policy and Project Officer - OPCC

Apologies

Alison Hernandez

Alex Walling
Simon Bullock
Amanda Pearson
Karen James

David Sidwick
Will Kerr OBE
Julie Strange
Frances Hughes

Police and Crime Commissioner (Devon and Cornwall)
Director (Grant Thornton)
Chief Executive (OPCC Dorset)
Dorset Chief Constable
Head of Alliance Audit, Insurance and Strategic Risk Management
Police and Crime Commissioner Dorset
Devon & Cornwall Chief Constable
Treasurer (OPCC Dorset)
Chief Executive (OPCC Devon and Cornwall)

02/23/01 Apologies for absence

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FOIA – Open**

As recorded above.

02/23/02 Declarations of Interest, Equality and Health and Safety Obligations

No new declarations of interest.

02/23/03 Minutes [FOIA – Open]

Item 3 should read 'TG advised'.

02/23/04 Action Log [FOIA – Open]

Action log reviewed and updates were received for ongoing actions.

02/23/05 Significant Committee Business [FOIA – Open]

TG highlighted the achievement of DCP and Dorset Finance Team for getting the unaudited accounts published within a tight statutory deadline. TG advised IAC Pierre Doutreligne will be taking forward the IAC meeting administration and thanked Helen Morgan for her support to date. TG raised concerns about ongoing IT issues that continue to cause difficulties and are crucial to resolve. TG reported, with disappointment, David Bowles and Rachel Tiffen have tendered resignations and thanked them for their contributions to IAC. Due to this the proposed training day has been postponed and will be rearranged when the way forward has been agreed. SG asked when S151s will have a chance to receive feedback and decide the best way forward. TG suggested SG, NB, NA, and Committee members have a catch up following this meeting to discuss matters.

02/23/06 Internal Audit Opinion [FOIA - Open]

CW highlighted the annual work of SWAP. During the year the Niche implementation was identified as significant risk however advised that all 8 actions identified have now been implemented. The Access management audit has now been issued as a draft report and will be finalised today. SWAP reported that it had not been possible to complete testing for the stock and stores audit report and this audit will be put on hold until assurance can be provided. CW apologised for an error on the report and advised SWAP will make sure it does not happen again. SG pointed out that some items not covered by the Internal Audit Plan are looked at under the PEEL review which, in itself provides assurance. Issues within HMICFRS reports are in hand and are being dealt with through the recommendations.

02/23/07 Internal Audit Quarterly Report [FOIA - Open]

CW introduced the update to the current year plan and welcomed questions. GM stated there was a previous agreement to include an explanation of any changes in the plan and asked if this could be reinstated. CW explained the property stores review was postponed because of the movement of some store facilities. Victim Support audit

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was deferred until after actions have been implemented, and the mobile phone audit was a recent request.

Action: CW to include explanations for any changes to the plan.

02/23/08 Annual Audit Report on Audit Recommendations [FOIA - Open]

Jo George advised that actions not yet complete have been escalated to area leads. For clarity JG advised actions that have been completed will not be closed until evidence has been received. Finance actions are now with RW and progressing. RW is lead for the Unit 4 finance system (previously known as Agresso) and he advised this is a priority. Meetings have been arranged for allocating resources and it is likely external consultants will be brought in to support the project. The budget has been set aside and the force is working with SW Procurement to progress. RW will update at next meeting or beforehand if possible. GM raised fire safety. SG advised that Resources Board are looking at Fire safety and receive a regular update from Health and Safety. JG expanded on the estate role and who is responsible in each building for fire safety. Terms and conditions need to be reviewed and this is currently in discussion with HR. NA advised that this work has been agreed by Resources Board and the ACO for people has taken it on with the Head of HR to ensure all checks being done. NA also informed a compliance report is submitted each month to the Estates Governance Board. Some fire assessments were still outstanding, but they are now being completed and progress is being made to get the final risk assessment up to date.

02/23/09 External Audit Quarterly Report [FOIA - Open]

BG presented the report and advised there was nothing specific to highlight. TG raised delivery of the Dorset audit opinion timelines. BG assured the Committee the Dorset opinion will be delivered in September unless something unexpected arises. NA informed she has been invited on a national level to be interviewed by an independent consultant for the PSAA and there is due to be a publication by FRC on to how to address the back log. IAC asked for External Auditor's views about CIPFA and FRC guidance for Triannual evaluation.

Action: BG to look into CIPFA and FRC guidance for Triannual evaluation and update at the next meeting.

02/23/10 External Audit Plan for Devon and Cornwall [FOIA – Open]

BG highlighted specific areas around risk, including evaluation of buildings and the pension fund and explained the rationale behind the figures based on last year's figures, which will be reassessed on the current year. BG assured that any changes will be reported back on the audit.

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FOIA – Open**

SG asked for it to be recorded that it was unusual for Audit to take place over winter. SG reported that she had communication with GT who has assured her that our staff would be able to take reasonable leave over Christmas.

NA advised feedback had been given to GT on the areas they had identified as significant risk areas. Valuation of Land & Buildings and Pension Funds are not considered significant for our areas of business. TG asked what GT are doing at a national level to reduce bureaucracy and streamline the audit process.

Action: GT to feedback on how they can help to make the audit more streamlined and reduce bureaucracy.

02/23/11 PSAA – Audit Quality Monitoring Report 2022 [FOIA – Open]

JG advised the report had been taken from the PSAA website. It was presumed the report had been read and there were no questions.

02/23/12 Unaudited Statement of Accounts for D&C 2022/23 [FOIA – Open]

NA and SG highlighted specific areas for noting, importantly the narrative of the group accounts. The net revenue budget which is just under £372 million and the overspend of £318,000 which equates to just under 0.1% of the overall budget. This was on a backdrop of the final year of uplift in officers with the final number of officers being 3,627.

SG highlighted underspend investments in operational areas and grants achieved that have been used to clear backlogs. GM asked whether there was a deficit on costs for the G7 operation. SG informed grants were received to cover overtime and planning time but not for officer plain time, so although costs were covered there was loss in time.

PR commented on the good narrative reports, and this was supported by TG.

NA and SG have discussed what information to put to the public for transparency, if audits are late and the backlog continues, and have considered expanding on narrative to give assurance to the communities as they are the main stakeholders.

02/23/13 Unaudited Statement of Accounts for Dorset 2022/23 [FOIA – Open]

NB highlighted similar issues such as the reduction in liability around pension and pay award, grants and the uplift achievement in the narrative report. NB thanked LH and her team for putting together the accounts.

TG asked if any extra work was needed in recognition that the 21/22 account had not been audited. NB advised he and JG had discussed and took a view that the published

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accounts is the position for evaluations in 22/23. TG asked RW how this can be resolved. RW said it needs a clear statement from a central source on how we need to progress. NA advised PACCTs are making representations on all issues around quick wins for backlogs and revisiting previous years, and it is anticipated there will be something coming out soon about how backlogs are going to be dealt with. SG asked BG for confirmation from GT for their attitude about pensions and why we are doing it. SG also raised the PSAA report as a lot of audits were not very good and most were late as there is an expectation to do them without the previous year accounts being done. SG asked GT to ensure S151s that they have people in place to undertake the work. TG agreed these concerns are shared.

Action: GT asked for a formal response on Pension restatements on accounts not yet finalised and why are the forces are undertaking this work.

02/23/14 Going Concern Report [FOIA – Open]

Both reports were presented, and it was acknowledged that with Inflation being high and uncertainty around the next financial settlement, there is a period of significant risk for all public sector areas. NA advised that national work is being undertaken by NPCC and PACC to identify resilience indicators, so this may be included in the next going concern report. The Committee noted the importance of these reports as a form of assurance, especially given the delays in auditing of the accounts.

02/23/15 Code of Corporate Governance [FOIA – Open]

NA pointed out that all papers show tracked changes and asked for the Committee's views on whether the changes are proportionate. The key areas for consideration are part 3c Finance Regulations and Thresholds and part 3d appendix c Purchasing Goods. All references to the PCC have changed to the Commissioner to avoid confusion within the D&C Codes. NB advised that he JG, NA and SG met to discuss the differences and understand where they are, however there are very few differences between the two forces.

TG asked what responsibility and additional risk D&C face for hosting regional procurement. SG said there is a risk held around redundancy if the unit breaks up, however, a governance process is in place to ensure any costs incurred by D&C are shared across the region. Individual forces hold the contracts, but D&C might have a liability if they are at fault for procurement and complaints.

NA advised awareness training on the Code of Corporate Governance rules and regulations is being planned for Executives and Finance. NB advised similar training is also going to be arranged for Dorset

02/23/16 Annual Report on Insurance Arrangements [FOIA – Open]

RW highlighted a steep direction of travel in insurance premiums. RW advised the forces are about to go out for a regional contract for new insurance brokers. D&C experienced a spike in public liability claims in 2021/22 accounted for by the G7 summit and this is being worked through together with lessons learnt. There is also an impact on the team as the Insurance Manager post is still vacant, however the recruitment

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process is taking place in July. The Committee stressed the need to ensure resources were available to ensure insurance work was covered adequately.

02/23/17 Treasury Management Outturn 2022/23 D&C [FOIA – Open]

NA highlighted inflation and bank rates higher than anticipated as key areas. The situation is positive for D&C, investments are achieving good rates and not seeing an underlying need to borrow in 2023/24 and into 2024/25.

02/23/18 Treasury Management Outturn - Dorset [FOIA – Open]

NB highlighted Dorset needed borrowing for large building scheme in 2023/2024. Most borrowing had been undertaken prior to the major rises in interest rates. Investment returns are currently exceeding the average returns.

02/23/19 Fraud and Corruption Investigations (incl. NFI) Report [FOIA – Open]

JG updated that Professional Standards Department now have Heads for each force and the review of overdue policies is in hand. JG has also received assurance the vetting policy complies with national requirements. GM asked what measures are in place to deal with those already in post. NA assured IAC there is a process in place for currently employed staff, which could mean they are re-vetted. PSD also record statistics, themes and risks, and control mechanisms are put in place for mitigation, for example overtime sign off. JG advised there were 2 fraud cases in Dorset. Dorset have relaunched their 'Call It Out' behaviours campaign in February 2022. TG asked for assurance on timescales for the review of PSD policies.

Action: PSD to set timescales to complete the policy reviews and provide feedback to IAC.

02/23/20 HMICFRS Value for Money Profiles [FOIA – Open]

RW advised HMICFRS produce an interactive dashboard report and this tool is used as part of the budget setting process. RW reported spending for both Forces is coming down, which means efficiencies are being delivered. SG advised IAC efficiencies are held to account at the Working Together Board (WTB) and one area where savings are being made is through the alliance of ICT.

02/23/21 Verbal Update by Chief Constable/PCC D&C [FOIA – Open]

No update available.

02/23/22 Verbal Update by Chief Constable/PCC Dorset [FOIA – Open]

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No update available.

01/23/23 Feedback to Corporations Sole - additional item [FOIA – Open]

Members discussed the salient points highlighted for feedback.

There being no other business the meeting closed at 11:50

The next full IAC meeting is scheduled for Tuesday 26th September 2023 at 09:30.

DRAFT

Independent Audit Committee Decision and Action List

Open Actions

Action No	Minute Reference/Item Name	Date	Action Required	Owner	Due date	Remarks
273	01/23/06 Internal Audit Plan and Charter	05/04/23	JG to meet with GM and go through the plan before the next IAC meeting.	Jo George	27/06/2023	Complete: JG , CW and JG have meet to discuss this. An Assurances covering reviews by HIMICFRS reports and other operational assurance providers has been prepared and is stored on the IAC Drives.
275	01/23/16 Draft Annual Governance Statement Dorset	05/04/23	JG to review to see if a diagram of governance for both forces is available for inclusion within the statement.	Jo George	27/06/2023	Complete: This review has been undertaken and shared with S151's prior to the publishing of the AGS statements. Diagrams included where appropriate.
277	01/23/17 Terms of Reference	06/04/23	KJ to include in the IAC Training Day an exceptions report on any issues arising from the Good Governance Framework and the CIPFA FM Code	Karen James	27/06/2023	Update provided: This action has been deferred, pending the completion of work within Finance on the FM code. Report presented to IAC with an update on this area Agenda item 13
279	02/23/07 Internal Audit Quarterly Report	27/06/23	CW to include explanations for any changes to the plan.	Charlotte Wilson	26/09/2023	Complete: This will be included in the quarterly SWAP update going forward.
280	02/23/09 External Audit Quarterly Report	27/06/23	BG to look into CIPFA and FRC guidance for Triannual evaluation and update at the next meeting.	Becky Greaves	26/09/2023	Update provided: Verbal update at next meeting - background on audit work being performed on triennial valuation
281	02/23/10 External Audit Plan for Devon and Cornwall	27/06/23	GT to feedback on how they can help to make the audit more streamlined and reduce bureaucracy.	Alex Walling	26/09/2023	Update provided: We regularly look to optimise our national audit approach to achieve greater efficiency. Our approach undergoes regular reviews, and we actively seek ways to identify and implement improvements. For example, our development of the use of digital tools in most recent years. However, it is crucial to emphasise that our commitment to quality remains paramount. We are driven by needing to make sure that our quality is appropriate and in line with regulatory requirements.
282	02/23/13 Unaudited Statement of Accounts for Dorset 2022/23	27/06/23	GT asked for a formal response on Pension restatements on accounts not yet finalised and why are the forces are undertaking this work.	Alex Walling	26/09/2023	Update provided: CIPFA published a supplement to Bulletin 14, concerning the impact of the 31 March 2022 Local Government Pension Scheme (LGPS) triennial valuation of the reporting of defined benefit pension assets and liabilities within 2021/22 financial statements. When the Dorset Police (PCC/Group and Chief Constable) draft 2021/22 accounts were prepared, the 2019 LGPS triennial valuation informed key judgements and estimates underpinning the measurement of the defined benefit liability. The requirement of IAS 19 and the Code are such that valuations of an employer's pension obligations are to be updated for any material transactions and other material changes in circumstances up to the end of the reporting period. The publication of 31 March 2022 LGPS triennial valuations, in March and April 2023, is an event after the 2021/22 reporting period which needs to be considered in line with the requirements of Section 3.8 of the Code and the underlying requirements of IAS 10 <i>Events After the Reporting Period</i> . We note that some local authorities have already requested that their actuaries update IAS 19 reports for the 31 March 2022 year end, to take account of data now available following completion of 31 March 2022 triennial valuations. In several instances such updated reports have identified material changes in gross pension asset and liability positions required for disclosure purposes, as well as in net pension liability (or asset) positions required to be reported in local authority balance sheets. Grant Thornton's view is that local authorities with open 2021/22 audits should seek an updated IAS 19 report from their actuary, to allow for an informed assessment of whether adjustments to draft accounts are necessary. Our view, based upon, but not limited to, the requirements of ISA 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing (UK) paragraph 11, ISA 315 Identifying and Assessing the Risks of Material Misstatement paragraph 7, ISA 330 The Auditor's Responses to Assessed Risk paragraphs 25-27 and ISA 560 Subsequent Events paragraph 4, is that new information is now available which needs to be considered before giving an opinion as it may indicate a risk of material misstatement of primary financial statements and associated disclosures.

Independent Audit Committee Decision and Action List						
Open Actions						
Action No	Minute Reference/Item Name	Date	Action Required	Owner	Due date	Remarks
283	02/23/19 Fraud and Corruptions investigations	27/06/23	PSD to set timescales to complete the policy reviews and provide feedback to IAC.	Jo George	26/09/2023	Update provided: All policies are being reviewed (from a Dorset perspective – they are all Alliance policies), and will be sent to Dorset Head of PSD w/c 11th September. I then plan to review any feedback / amendments / suggestions with D&C Head of PSD, before signing them off or sending them for further consultation

Devon & Cornwall Police and The Office of the Police & Crime Commissioner (OPCC)

Dorset Police and The Office of the Police & Crime Commissioner (OPCC)

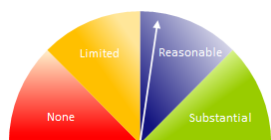
Report of Internal Audit Activity- September 2023

Internal Audit ■ Risk ■ Special Investigations ■ Consultancy

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Executive Summary

Rolling Opinion



Overall, we can provide a 'reasonable' rolling assurance opinion. Two new limited review opinions have been issued but also two reasonable opinions. We will continue to update this rolling opinion in subsequent Committee updates.

Internal Audit Assurance Opinions 2023/24

	Jul-Sept	YTD
Substantial	0	0
Reasonable	2	3
Limited	2	3
No Assurance	0	0
Total	4	6

Internal Audit Agreed Actions 2023/24

	Jul-Sept	YTD
Priority 1	0	0
Priority 2	11	14
Priority 3	15	22
Total	26	36

Progress Since Previous Committee

	<p>2 Limited Assurance Opinions</p> <p>0 No Assurance Opinions</p> <p>11 Priority Two Actions</p>
	<p>Limited Assurances</p> <p>A limited assurance opinion has been given for the Regulation 13 and Mobile Phone reviews. All actions raised have been agreed by the Force. Please see Appendix A for further information.</p>
	<p>Significant Risks</p> <p>No significant risks are to be reported at this meeting.</p>
	<p>Plan Progress</p> <p>Adequate progress has been made since the previous Committee with four reports being finalised and a further three nearing fieldwork completion. All quarter one and two 2023/24 reviews have been initiated.</p>
	<p>Plan Changes</p> <p>The following changes have been made to the plan since the last Independent Audit Committee:</p> <ul style="list-style-type: none"> DCP Property Stores Review (Q1): Further deferred by the Head of Criminal Justice from Q2 to Q4. KFC Stocks & Stores (2022/23): Audit work currently on hold awaiting availability of the key contact. Secondments (2022/23): Deferred from 2022/23 to Q2 2023/24.
	<p>Profiled Delivery</p> <p>100% of the 2023/24 annual budget is now allocated to reviews with 48% of these in progress. All remaining 2022/23 work has now been completed with some budget brought-forward for the two audits detailed above. This work is not represented in the 2023/24 performance figures however does constitute work completed during the quarter.</p>







2023/24 Plan Performance YTD

Performance Measure	Performance
Completed	8%
Draft Report	0%
Fieldwork	29%
Scoping	11%
Not Yet Due	52%

Reports Finalised This Quarter






Audit Name	Assurance
Mobile Phones	Limited
Regulation 13 (22/23)	Limited
Dorset Property Stores	Reasonable
User Access Mgt (22/23)	Reasonable

FOR IAC PURPOSES ONLY - Appendix A Summary of Limited Assurance Opinion Reviews

Audit Title	Summary of Opinion/Findings			All actions to be implemented by:
Police Regulation 13 Discharge of Student Officer Probation		Risks Reviewed A lack of training and awareness of policies and procedures related to Regulation 13 (Reg13) by Force staff and inefficient working practices between L&D, HR teams and operational / supervisory officers, leads to unsuitable student officers being permitted to progress past probation resulting in service failure.	Assessment Medium	Ten actions to be implemented by 31 st March 2024. Three actions to be implemented by 30 th June 2024.
	Key Findings			
		There is no formal Reg13 training for supervisory officers; 43% of operational supervisors surveyed do not know what the Force’s expectations of them are with regard the Reg13 process.		
		There is no formal training for supervisory officers in recognising protected characteristics nor for providing reasonable accommodations to Student Officers.		
		The current method of monitoring Student Officers on support plans is potentially inefficient due to volume and design and may expose the public and colleagues to risk where unsuitable Student Officers are permitted to remain operational.		
		Delivery of supervision across both Forces is affecting the support to Student Officers and procedures have not been updated in line with their review date or created in a timely manner.		
		Student Officer performance is evaluated against national policing requirements, and Student Officers are aware of the performance criteria they are being evaluated against.		
Summary				
It is vital that the services of individuals who are ‘not fitted, physically or mentally, to perform the duties of their office, or are not likely to become an efficient or well conducted constable’ ¹ , are removed from their position before they can cause harm to themselves, their colleagues, or the public. While both Forces are at different stages regarding their confidence with using Reg13, both face similar issues, and the actions raised in this report are designed to address the key challenges experienced by both Forces and ultimately provide assurance to senior management that Reg13 will be managed in an efficient and effective manner.				

¹ [The Police Regulations 2003 \(legislation.gov.uk\)](https://legislation.gov.uk)

FOR IAC PURPOSES ONLY - Appendix A Summary of Limited Assurance Opinion Reviews

Audit Title	Summary of Opinion/Findings			All actions to be implemented by:	
Mobile Phones			Risks Reviewed Ineffective management of mobile phone issuing and purchasing leads to ambiguity regarding funding, forecasting, and accumulating costs, resulting in failure to achieve revenue savings and inaccurate capital budget monitoring.	Assessment Medium	Two actions should now be implemented.
	Key Findings				Four actions to be implemented by 31 st September 2023.
		A Mobile Telephone Devices Policy (the Policy) and a Procedure are in place; both are available on the intranet and are within review dates. iPhones are not a currently approved model and have not been purchased since June 2022 for Devon & Cornwall Police (DCP) and August 2022 for Dorset Police (DP). All other purchases tested were compliant, managed via InTune and in use by the purchasing force. All devices selected could be tracked from ICT request through to order, delivery, allocation, and status			One action to be implemented by 31 st December 2023.
		The Policy and Procedure documents do not refer to purchasing frameworks and an existing contract with EE (via BT) did not include a handset provision. Testing of invoices (since 2019) showed that all mobile device invoices sampled (37, totalling £502k) were with O2 UK Ltd. SIM/network provision is with EE for all (bar one) DCP device and one third of DP devices. Public Contract Regulations must be observed for handset purchasing and considered when agreeing bulk orders with suppliers.			
		Only 42% of users from our sample had recorded their work number on Myself/Agresso and only DCP devices are currently being recorded on Remedy (ICT Asset Management System). None of the DCP iPhones identified in testing as being purchased by the Force had been returned; the user had purchased one; one was in use as an unmanaged phone but with no Force applications on it and the location of two was unclear (one was cancelled and barred June 2022 and the other not yet returned). All DP iPhones identified during testing as purchased by the Force, had been returned by January 2023.			
		Coding mobile phone invoices to revenue (SM03: Mobile Phone Calls) has been normal practice since 2019 with only 54% of DCP and 56% of DP invoices in our sample having been later recharged to capital budgets. This has been assumed as the correct procedure within the ICT Communications and Finance Teams with revenue budgets scaled accordingly. Capital budgets had not been fully depleted by the close of 2021/22 and 2022/23, although both years' budgets were insufficient to cover all costs			
Summary					
Mobile phones are purchased by both Forces for police officers and staff. Capital budgets are agreed during the annual budget setting process to fund these purchases and specific account codes and cost centres allocated. An issue had been identified indicating that mobile phones were being purchased against revenue codes and ambiguity existed as to whether the appropriate capital budgets had been exhausted in advance of this. Senior Management requested this review to evaluate asset management controls. Seven actions have been agreed by Management to strengthen controls. These are detailed in Appendix I below.					

Dorset Police and Office of the Police and Crime Commissioner (OPCC)

Devon & Cornwall Police and the Office of the Police and Crime Commissioner (OPCC)

Proposed 2023-24 Internal Audit Plan Q3-4

The Internal Audit Plan: Summary

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver in the second six months of the 2023/24 financial year.

Delivery of an internal audit programme of work that provides sufficient and appropriate coverage, will enable us to provide a well-informed and comprehensive year-end annual internal audit opinion.



Introduction & Objective of the Internal Audit Plan

Internal audit provides an independent and objective opinion on the risk management, governance, and control environment of Dorset Police and OPCC and Devon & Cornwall Police and OPCC by evaluating its effectiveness.

The outcomes of each of the audits in our planned programme of work, will provide senior management and the Independent Audit Committee (IAC) Members with assurance that the current risks faced by the Forces and OPCCs in these areas are adequately controlled and managed.

It should be noted that internal audit is only one source of assurance, and the outcomes of internal audit reviews should be considered alongside other sources, as part of the 'three lines' assurance model. Key findings from our internal audit work should also be considered in conjunction with completion of the Annual Governance Statement for the Forces and OPCCs.

It is the responsibility of the respective leadership teams for both Forces and OPCCs and the Independent Audit Committee (IAC), to determine that the audit coverage contained within the proposed audit plan is sufficient and appropriate in providing independent assurance against the key risks faced by the organisation.

When reviewing the proposed internal audit plan (as set out in Appendix 1), key questions to consider include:

- Are the areas selected for coverage this coming year appropriate?
- Does the internal audit plan cover the organisation's key risks as they are recognised by the Leadership Teams and Audit Committee?
- Is sufficient assurance being received within our annual plan to monitor the organisation's risk profile effectively?

Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. As such, internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.

The Internal Audit Plan: Approach

The work of internal audit should align strategically with the aims and objectives of the organisation, taking into account key risks, operations and changes.

In order to do this Internal Audit needs to be flexible in adapting audit plans to handle rapidly changing risks, priorities and challenges.



Approach to Internal Audit Planning 2023/24

Our approach to internal audit planning throughout 2023/24 will be a continuous risk assessment and rolling plan approach. Rather than present a proposed annual plan at the start of the year, which is subject to a high level of uncertainty and change, we will build our plan in conjunction with management as the year progresses, presenting a six-month rolling plan with a list of potential areas for consideration for future audit plans. This is then reviewed each quarter to ensure that the rolling plan is relevant. This rolling planning process will provide the same assurances as an annual plan but will better reflect the changing risk landscape.

Quarterly audit planning meetings will be held with the Forces' Chief Finance Officers and the OPCCs' Treasurers (S.151 Officers) prior to presenting a proposed plan to this Committee for formal approval. In addition, we also aim to meet regularly with the Deputy Chief Constable and the Chief Executive Officer (CEO) to ensure the plan remains relevant.

These meetings will lead to a 12 month 'rolling wave plan' place-marking key areas of coverage to support the annual opinion. This is then underpinned by quarterly risk-based work plans which draw from meetings with management and the 'rolling plan' throughout the financial year to ensure we are auditing the right areas, with the correct scope, at the right time and reported through our quarterly progress updates.

The resulting programme will be a combination of requested audit work aligned to service priorities, combined with audit work recommended by SWAP driven by our continuous risk assessment. This risk assessment will be based on the live status of the Forces and OPCCs strategic risk registers. Overlaid onto this assessment will be the Police and Crime Plan, the Force Management Statement (FMS) and SWAP's sector-wide top 10 risk areas. The results of our risk assessments will be shared with senior management to obtain their view on the value of internal audit involvement. In developing risk assessments, we will also take account of other sources of assurance, where relevant.



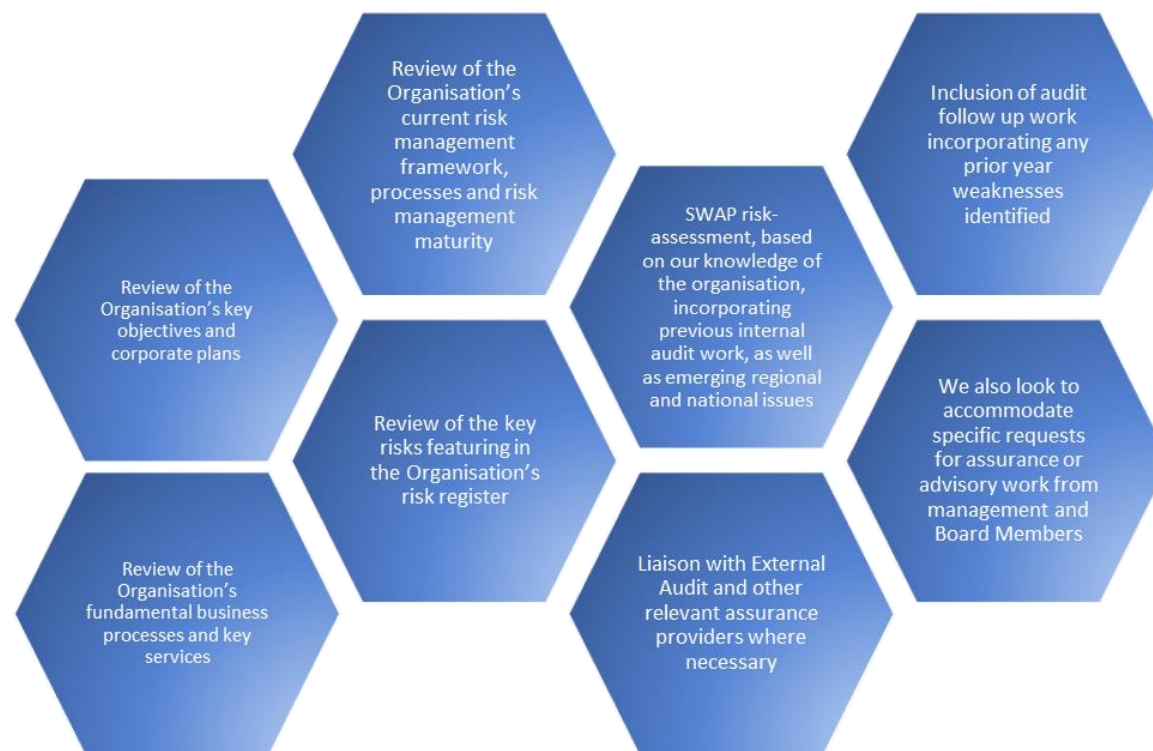
The Internal Audit Plan: Approach

To develop an appropriate risk-based audit plan, SWAP have consulted with senior management, as well as reviewing key documentation, in order to obtain an understanding of the organisations' strategies, key business objectives, associated risks, and risk management processes.



Approach to Internal Audit Planning 2023/24

The factors considered in putting together the 2023/24 internal audit plan have been set out below:



Due to the pace of change within the policing sector and now the impact of social economic factors, it is becoming increasingly difficult to accurately predict longer-term key organisational risks. Our approach to internal audit planning therefore reflects this. The risk-assessed work plan contains key areas of coverage, to ensure that we are auditing the right areas at the right time. The precise scope of each audit will be determined at the start of the review, in line with local risk factors at that time.

The Internal Audit Plan: Risk Assessment

A documented risk assessment prior to developing an internal audit plan, ensures that sufficient and appropriate areas are identified for consideration.

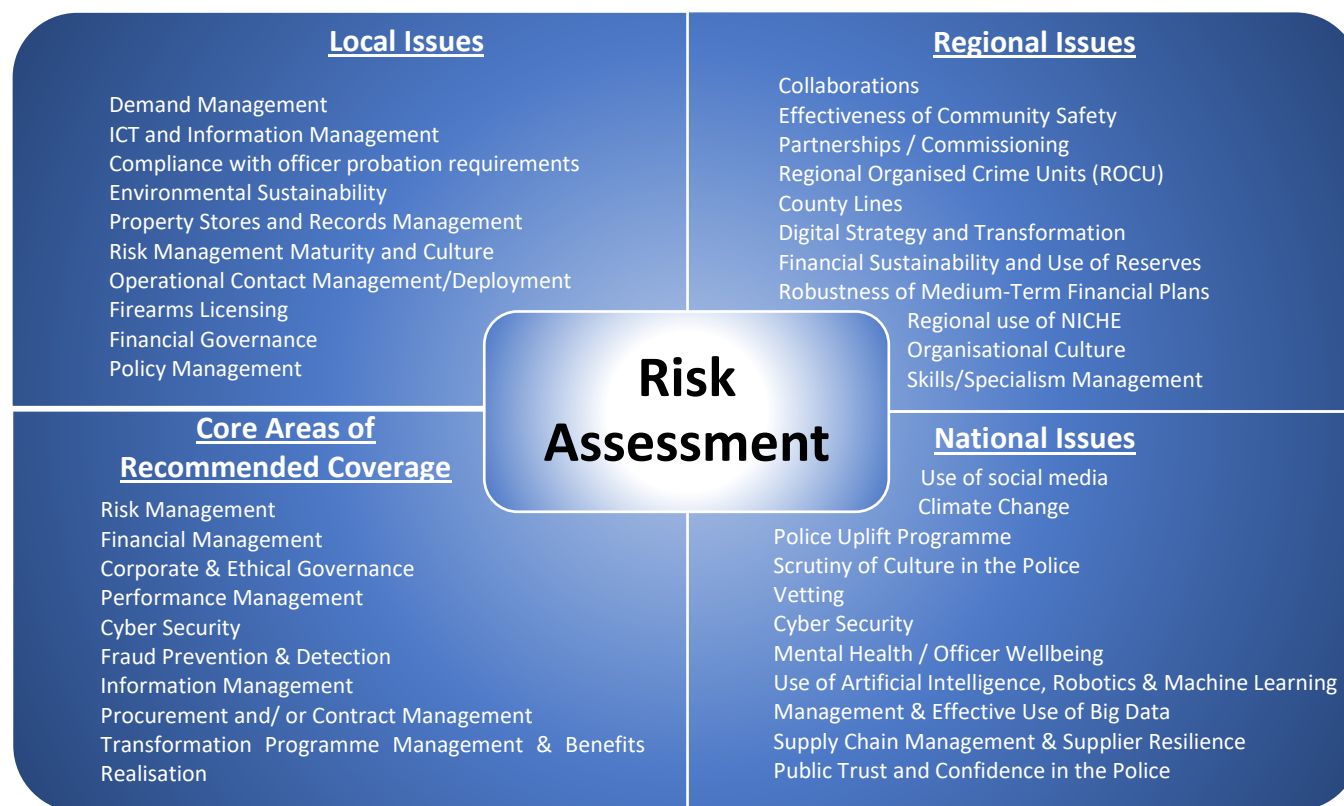
As above, it is the responsibility of the leadership teams for the Forces and OPCCs and the IAC to ensure that, following our risk assessment, the proposed plan contains sufficient and appropriate coverage.



Internal Audit Annual Risk Assessment

Our 2023/24 internal audit programme of work is based on a documented risk assessment, which SWAP will re-visit regularly, but at least annually. The input of senior management as well as a review of the organisations' risk register will be considered in this process.

Below we have set out a summary of the outcomes of the risk assessment for Dorset Police and OPCC and Devon & Cornwall Police and OPCC:



The Internal Audit Plan: Coverage

Following our SWAP Risk Assessment above, we have set out how the proposed plan presented in Appendix 1 provides coverage of the key components set out in the Force Management Statement (FMS), against which we have aligned our audit universe, as well as the areas within the Police and Crime Plan.

Internal audit is only one source of assurance; therefore, where we have highlighted gaps in our coverage, assurance should be sought from other sources where possible, such as HMICFRS, in order to ensure sufficient and appropriate assurances are received.

For 2023/24, the Internal Audit Plan does not afford coverage to the areas highlighted as red. Assurance should either be sought from alternative sources or considered for inclusion in future Internal Audit Plans.



Internal Audit Coverage in 2023/24

Following our SWAP risk assessment, we have set out below the extent to which the proposed Q3-4 plan presented in Appendix 1, as well as the previously approved Q1-2 plan, provides coverage against the elements within the Force Management Statement:



Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. As such, internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.



The Internal Audit Plan: SWAP

SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes 26 public sector partners, crossing nine counties, but also providing services throughout the UK.

As a company, SWAP has adopted the following values, which we ask our clients/partners to assess us against following every piece of work that we do:

- Candid
- Relevant
- Inclusive
- Innovative
- Dedicated



Your Internal Audit Service

Audit Resources

The 2023/24 internal audit programme of work will be equivalent to £127,462. The current internal audit resources available represent a sufficient and appropriate mix of seniority and skill to be effectively deployed to deliver the planned work. The key contacts in respect of your internal audit service for Dorset Police and OPCC and Devon & Cornwall Police and OPCC are:

Charlotte Wilson, Assistant Director – charlotte.wilson@swapaudit.co.uk, 020 8142 5030

Tracey Kirkpatrick, Principal Auditor – tracey.kirkpatrick@swapaudit.co.uk 020 8142 5030

External Quality Assurance

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors (IPPF).

Every five years, SWAP is subject to an External Quality Assessment of Internal Audit Activity. The last of these was carried out in February 2020 which confirmed general conformance with the IPPF.

Conflicts of Interest

We are not aware of any conflicts of interest within Dorset Police and OPCC and Devon & Cornwall Police and OPCC that would present an impairment to our independence or objectivity. Furthermore, we are satisfied that we will conform with our IIA Code of Ethics in relation to Integrity, Objectivity, Confidentiality, & Competency.

Consultancy Engagements

As part of our internal audit service, we may accept proposed consultancy engagements, based on the engagement's potential to improve management of risk, add value and improve the organisation's operations. Consultancy work that is accepted, will contribute to our annual opinion and will be included in our plan of work.

Approach to Fraud

Internal audit may assess the adequacy of the arrangements to prevent and detect irregularities, fraud and corruption. We have dedicated counter-fraud resources available to undertake specific investigations if required. However, the primary responsibility for preventing and detecting corruption, fraud and irregularities rests with management who should institute adequate systems of internal control, including clear objectives, segregation of duties and proper authorisation procedures.

The Internal Audit Plan: SWAP

Over and above our internal audit service delivery, SWAP will look to add value throughout the year wherever possible. This will include:

- Benchmarking and sharing of best-practice between our public-sector Partners
- Regular newsletters and bulletins containing emerging issues and significant risks identified across the SWAP partnership
- Communication of fraud alerts received both regionally and nationally
- Annual Member training sessions

Our Reporting

A summary of internal audit activity will be reported quarterly to senior management and the Audit Committee. This reporting will include any significant risk and control issues (including fraud risks), governance issues and other matters that require the attention of senior management and/or the Audit Committee. We will also report any response from management to a risk we have highlighted that, in our view, may be unacceptable to the organisation.

Internal Audit Performance:

As part of our regular reporting to senior management and the Audit Committee, we will report on internal audit performance. The following performance targets will be used to measure the performance of our audit activity:

Performance Measure	Performance Target
<u>Delivery of Annual Internal Audit Plan</u> Completed at year end	>90%
<u>Quality of Audit Work</u> Overall Client Satisfaction <i>(did our audit work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation)</i>	>95%
<u>Outcomes from Audit Work</u> Value to the Organisation <i>(client view of whether our audit work met or exceeded expectations, in terms of value to their area)</i>	>95%

It should be noted that the audit titles and high-level scopes included below are only indicative at this stage. At the start of each audit, an initial discussion will be held to agree the specific audit brief for the piece of work, which will include the objective and scope for the review.

Link to FMS Section	Link to Dorset Priority/Vision	Link to D&C Priority/Vision	Areas of Coverage	Estimated Cost	Proposed Quarter
Finance/ Force-wide Functions	Make Every Penny Count.	Connected	Key Financial Controls – These reviews will look to provide assurance that the key financial controls are operating effectively. The full scopes are still to be confirmed, but will likely include aspects of: <ul style="list-style-type: none"> Accounts Payable Accounts Receivable Payroll, including the HR elements of the payroll process Treasury Management Budgetary Control Procurement of items requiring quotes 	£34,763	Q3-4
Knowledge Management and ICT	TBC	TBC	ICT Allocation – Scopes to be confirmed. SWAPs Technology and Digital team will engage with the CTO for specific themes. (Allowance sufficient for one audit)	£5,794	Q3-4
Wellbeing/ Collaboration	Make Every Penny Count.	Connected	DCP Property Stores & Records Management – A review of processes and procedures for the storage of goods and cash to ensure compliance with recognised standards. This audit was originally included in the 2023/24 Q1 plan alongside the same review for Dorset Police, however, it has now been deferred to Q4 2023/24.	£5,794	Q4
Finance	Make Policing More Visible & Connected/ Make Every Penny Count.	Safe/Resilient/ Connected	Value for Money Review – Force Dog Arrangements – The checklist from the new Financial Management Code by CIPFA recommends that value for money reviews are included in the Internal Audit Plan.	£3,862	Q4
Finance/ Knowledge Management and ICT/ Force-wide Functions	Make Every Penny Count.	Resilient/ Connected	Fleet to Finance ERP System Linkage – A review of the integration of new software to increase understanding, reduce process time and increase efficiency of payments to ensure controls are operating effectively and as planned.	£5,794	Q4
Force-wide Functions	Make Every Penny Count.	Resilient/ Connected	Policy Management – Follow up on the previous audit to assess progress with implementing recommendations and updating policies.	£3,862	Q4

Link to FMS Section	Link to Dorset Priority/Vision	Link to D&C Priority/Vision	Areas of Coverage	Estimated Cost	Proposed Quarter
			TOTAL estimated cost of delivery for Q3-4 proposed Audits	£59,869	
Support Activities and Follow Up Work – 2023-24 Annual Allocation					
Follow Up of Actions – Allocation of time to allow for follow up of previous Internal Audit actions not subject to separate consideration.				£3,862	Throughout Year
Contribution to Regional Work – As agreed across all Southwest Police Forces, an allocation has been allotted to take forward audits of common interest, enabling benchmarking of approach and position across the region as a whole. The scope of these reviews is to be determined by the Directors of Finance from each of the Southwest Police Forces.				£3,862	Throughout Year
Planning, Reporting & Advice – Agreed attendance at quarterly audit committees, undertaking audit planning and any corporate advice.				£13,519	Throughout Year
TOTAL estimated cost of delivery of support activities and follow up work for 2023/24				£21,243	
TOTAL estimated cost of delivery for Q1-2 Audits				£46,350	
TOTAL estimated cost of delivery of above proposed Internal Audit Plan for 2023/24 (Inc. costs for Q1-2)				£127,462	
TOTAL agreed cost of delivery for the Internal Audit Plan for 2023/24				£127,462	

Pipeline Audits <i>These audits are potential areas for inclusion as part of future Internal Audit Plans</i>	Risk Management Maturity Victim Support Grant Follow Up – 2024/25 Key Financial Controls – Probity of POCA money/Alliance recharges/Inventories Occupational Health Supply Chain Defence Fleet Link to Agresso DP Capital Programme/Major Projects Environmental Stability Staff Retention/Resourcing/Workforce Planning/Positive Action Confidential Waste Disposal DP Banking Arrangements Vetting Arrangements
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Not Protectively Marked/Official/Sensitive/Personal – Author to attach handling instructions



AGENDA NO: 8

INDEPENDENT AUDIT COMMITTEE

DATE OF MEETING: 26 Sep 2023

FOIA OPEN

TITLE OF REPORT: External Audit Quarterly Report

REPORT BY: Alex Walling(Key Audit Partner)/Becky Greaves(Audit Manager)

PURPOSE OF THE REPORT:

To present an update and provide assurance on one or more of the following areas:

Governance, Risk and Control	
Internal Audit	
External Audit	x
Financial reporting	
Other matter (please specify here)	
Appendices (please specify the number)	

RECOMMENDATIONS:

The Independent Audit Committee is asked to:

Review the Report	
Consider the Report	
Note the report	x
Other (please specify here)	

1. BACKGROUND INFORMATION

- 1.1 To present an update on work of external audit over the last quarter and looking forward to the next quarter.
- 1.2 For context of the Devon & Cornwall Police risk of significant VFM weakness noted on page 11 of the report, to date, we have not identified anything above the HMICFRS findings.

September 2023

Audit Progress Report and Sector Update

Devon and Cornwall Police and Crime Commissioner and Chief Constable
Dorset Police and Crime Commissioner and Chief Constable

Year ending 31 March 2023

September 2023



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2022/23 Deliverables	9
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Sector Update	12

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Key Grant Thornton team members



Alex J Walling

Engagement Lead

T 0117 305 7804

E Alex.J.Walling@uk.gt.com

Alex will have ultimate responsibility for the delivery of your audit service. Specifics of the role include:

- leading our relationship with the Police and Crime Commissioner and Chief Constable, ensuring you have access to Grant Thornton's full service offering;
- being a key contact for the Chief Finance Officers and the Independent Audit Committee (IAC) meeting frequently with key members of management;
- taking overall responsibility for delivering high quality audits which meet professional standards;
- agreeing with you the annual joint audit plan, and a timetable for delivering the work;
- reviewing the audit file, giving particular focus to any key areas of risk or critical judgements exercised during the audits;
- reviewing and signing off all audit reports;
- Attending IAC to discuss key issues arising from our work and any recommendations;
- acting as a 'sounding board' on key decisions relevant to our responsibilities as your auditors; and
- sharing good practice identified at other organisations.



Becky Greaves

Engagement Manager

T 0117 305 7717

E Becky.DM.Greaves@uk.gt.com

Becky will ensure that all work allocated is carried out on a timely basis in accordance with the firm's professional standards and to the satisfaction of clients and engagement lead.

As the key contact Becky will be responsible for building and maintaining good working relationships with all colleagues and clients.

To support delivery of the testing strategy she will:

- assist the engagement lead in establishing audit objectives and overall scope;
- ensure key matters which arise during the audits which were not identified at the planning stage are properly assessed and dealt with;
- review the work of in-charge auditor and the wider fieldwork team;
- finalise our draft reports to management;
- manage, motivate and coach team members; and
- control the audits in relation to timescales, budgets and risk management procedures.

Introduction & headlines

This paper provides the Independent Audit Committee with a report on progress in delivering our responsibilities as your external auditors

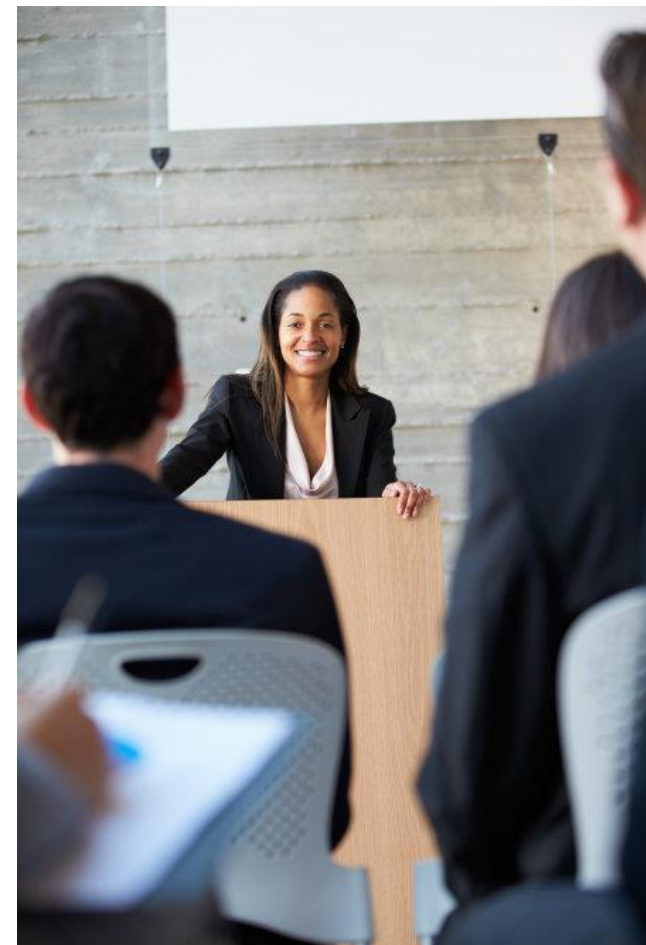
The paper also includes a summary of emerging national issues and developments that may be relevant to you.

Members of the Independent Audit Committee can find further useful material on our website where we have a section dedicated to our work in the public sector. Here you can download copies of our publications.

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

We continue to bring specialists to our update conversations where appropriate to share any learning from our position as a leading audit supplier to the police sector.

You will also have access to our annual Chief Accountant Workshops and any other networking opportunities we create for the various stakeholders.



The auditor's statutory responsibilities

Opinion on the audited body's financial statements

Our work enables us to give an opinion as to whether the financial statements:

- give a true and fair view of the financial position of the audited body and its expenditure and income; and
- have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards and other directions.

Our planning will document our understanding of your key risks, your control environment and inform our testing strategy. This will continue until we begin our final accounts testing.

Since we last reported we have:

- continued to have regular discussions with management discussing issues identified in previous audits, and emerging themes which are expected to impact on the current audits;
- reviewed meeting papers and the latest financial and operational performance reports ensuring we understand your current challenges;
- considered any reports from regulators regarding your operational effectiveness.

Work on value-for-money arrangements

Under the 2020 Audit Code of Practice, we are required to undertake sufficient work to satisfy ourselves that the Police and Crime Commissioner and Chief Constable “has made proper arrangements for securing economy, efficiency and effectiveness in their use of resources.”

Our initial risk assessment will build on our understanding of your arrangements, taking into account any findings from previous work on value for money. We will report our risk assessment to you at your Independent Audit Committee against the following reporting criteria:

- Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the body ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

We will keep our risk assessment under continuous review. Where appropriate, we will update our risk assessment to reflect emerging risks or findings and report this to you. Our final commentary in the Auditor's Annual Report will include:

- a summary of our findings on any risks identified during our work;
- our judgements on the adequacy of the Police and Crime Commissioner and Chief Constable's arrangements for each of the three reporting criteria, as set out above;
- any recommendations made to management as a result of our work; and
- a follow up of progress against any recommendations raised in previous audits.

The auditor's statutory responsibilities

Other responsibilities

We are required to give an opinion on whether:

- other information published together with the financial statements is consistent with the financial statements.

We are also required to:

- consider whether the Annual Governance Statement complies with relevant disclosure requirements and whether it is consistent with the information we are aware of from our audit; and
- examine and report on the consistency of 'Whole of Government Accounts' consolidation schedules with the financial statements.

We will complete this work as part of our financial statements visit.

Other statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audits.

Our work to date has not required us to report any such matters to you.

Added value

Grant Thornton has a large Public Sector practice and is a key supplier to the market. As a valued audit client, you will receive:

- the opportunity to access support from experienced technical colleagues. This means you will be at the forefront of accounting developments. Through this relationship we also ensure that communication works both ways and feed issues back from our clients; and
- insight from our regular meetings within the sector where we discuss emerging developments. We will also raise any areas of concern that you have over policy, procedure, or regulation with your regulators; and
- technical and sector updates for the Independent Audit Committee.



Progress at September 2023

Financial Statements Audit

Our financial statements audit work on Devon & Cornwall Police 2021/22 is complete and the findings will be presented at the September Independent Audit Committee.

Our interim audit work has been undertaken on the 2022/23 audit of Devon & Cornwall Police, with the audit plan being presented at the June Independent Audit Committee. Final accounts work will commence in November 2023.

Our financial statements audit work on Dorset Police 2021/22 is ongoing and is substantially complete, subject to the following outstanding matters:

- Net pension liability testing – including receipt of the pension fund assurance letter in regards to the triennial valuation
- PFI liability testing
- Revaluation of land and buildings testing
- Remuneration disclosure testing
- Review of other information, including annual governance statement and narrative report

On completion of our work, we will report our findings in the Audit Findings Report and aim to give our opinion on the Statement of Accounts by December 2023.

Our audit work on Dorset Police 2022/23 will commence in February 2024.

Value for Money

The latest Code of Audit Practice (the “Code”) came into force on 1 April 2020 for audit years 2020/21 and onwards. The most significant change under the new Code was the introduction of an Auditor’s Annual Report, containing a commentary on arrangements to secure value for money and any associated recommendations, if required.

The new approach is more complex, more involved and is planned to make more impact.

Under the 2020 Code of Audit Practice, for relevant authorities other than local NHS bodies auditors are required to issue our Auditor’s Annual Report no later than 30 September or, where this is not possible, issue an audit letter setting out the reasons for delay.

As a result of the pandemic, and the impact it has had on both preparers and auditors of accounts to complete their work as quickly as would normally be expected, the National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many as possible could be issued in line with national timetables and legislation. The extended deadline for the issue of the Auditor’s Annual Report is now no more than three months after the date of the opinion on the financial statements. An additional option is now available to auditors, which allows a joint report covering two financial years in one Auditor’s Annual Report. Given the delays in publishing the 2021/22 report for Devon & Cornwall Police and Dorset Police, we have chosen to implement this option.

Therefore, improve the timeliness of reporting and ensure any recommendations are meaningful and can be addressed more promptly, we will be reporting the 2021/22 and 2022/23 Value for Money work in a Joint Auditor’s Annual Report. The results of our planning work and risks of significant weakness identified are outlined on pages 10-11 of this report.

2021/22 deliverables

2021/22 Deliverables	Planned Date	Status
Accounts Joint Audit Plan We are required to issue a detailed accounts joint audit plan to the Independent Audit Committee setting out our proposed approach in order to give our opinions on the 2021-22 financial statements.	June 2022	Complete
Interim Audit Findings We will report to you the findings from our interim audit within our Progress Report.	June 2022	Complete
Joint Audit Findings (ISA260) Report The Joint Audit Findings Report will be reported to the Independent Audit Committee. <ul style="list-style-type: none"> Devon & Cornwall Police Dorset Police 	September 2023 December 2023	Complete Ongoing
Auditors Reports These are the opinions on your financial statements and annual governance statements. <ul style="list-style-type: none"> Devon & Cornwall Police Dorset Police 	January 2023 December 2023	Complete Ongoing
Auditor's Annual Report The key output from local audit work on arrangements to secure VFM is an annual commentary on arrangements, which will be published as part of the Auditor's Annual Report (AAR). A draft of the AAR will be taken to the Independent Audit Committee. <ul style="list-style-type: none"> Devon & Cornwall Police Dorset Police 	TBC TBC	

2022/23 deliverables

2022/23 Deliverables

Planned Date

Status

Accounts Joint Audit Plan

We are required to issue a detailed accounts joint audit plan to the Independent Audit Committee setting out our proposed approach in order to give our opinions on the 2022/23 financial statements.

- Devon & Cornwall Police
- Dorset Police

June 2023
February 2024

Complete
Not yet due

Interim Audit Findings

We will report to you the findings from our interim audit within our Progress Report.

- Devon & Cornwall Police
- Dorset Police

June 2023
February 2024

Complete
Not yet due

Joint Audit Findings (ISA260) Report

The Joint Audit Findings Report will be reported to the Independent Audit Committee.

- Devon & Cornwall Police
- Dorset Police

February 2024
May 2024

Not yet due
Not yet due

Auditors Reports

These are the opinions on your financial statements and annual governance statements.

- Devon & Cornwall Police
- Dorset Police

February 2024
May 2024

Not yet due
Not yet due

Auditor's Annual Report

The key output from local audit work on arrangements to secure VFM is an annual commentary on arrangements, which will be published as part of the Auditor's Annual Report (AAR). A draft of the AAR will be taken to the Independent Audit Committee.

- Devon & Cornwall Police
- Dorset Police

TBC
TBC

Value for Money arrangements

Approach to Value for Money work for 2021/22 and 2022/23

The National Audit Office (NAO) issued its guidance for auditors in April 2020. The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under three specified reporting criteria. These are as set out below:



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)



Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information

At this stage in our audit, we have not identified any risks of significant weaknesses in regards to Dorset Police. We have detailed the risk of significant weakness identified at Devon & Cornwall Police on page 11.

Risks of significant VFM weaknesses – Devon & Cornwall Police

As we now plan to issue a joint Auditor's Annual Report covering the 2021-22 and 2022-23 periods, we are required to report to you any further risks or updates to the risks of significant weakness.

At the time we issued the 2021/22 Audit Plan, we identified a risk of significant weakness in regards to finance team capacity. As reflected in our 2021/22 Audit Findings Report taken to the February 2023 Independent Audit Committee, we considered this risk of significant weakness to be closed through our audit work on the financial statements.

Following the issue of the 2021/22 PEEL report in February 2023, we have identified a risk of significant weakness regarding Improving the 3Es. See detail below.

Risks of significant weakness

Those risks requiring audit consideration and procedures to address the likelihood that proper arrangements are not in place at the body to deliver value for money.

HMICFRS rating of several service areas as inadequate



We have identified a risk of significant weakness regarding Improving the 3Es due to HMICFRS rating of several service areas as inadequate.

To address this risk we will review any action plans that the Constabulary has implemented to address the concerns raised in the HMICFRS report and the progress against these. We will also confirm with HMICFRS directly the results of any ongoing reviews and follow up reviews.

Potential types of recommendations

A range of different recommendations could be made following the completion of work on risks of significant weakness, as follows:

Statutory recommendation



Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.

Key recommendation



The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.

Improvement recommendation



These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

Sector Update

Policing services are rapidly changing. Increased demand from the public and more complex crimes require a continuing drive to achieve greater efficiency in the delivery of police services. Public expectations of the service continue to rise in the wake of recent high-profile incidents, and there is an increased drive for greater collaboration between Forces and wider blue-light services.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider Police service and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- **Grant Thornton Publications**
- **Insights from sector specialists**
- **Accounting and regulatory updates**

More information can be found on our dedicated public sector and police sections on the Grant Thornton website by clicking on the logos below:

Public Sector

Home Office



Courts operate at full throttle to cut delays

The Crown Court will work at maximum capacity for the third year running to reduce waiting times to deliver access to justice. The decision to continue not to cap judicial 'sitting days' will mean the Crown Court can hear the highest possible number of criminal cases this year.

Court buildings across the country will also benefit from £220 million for essential modernisation and repair work across the next 2 years, meaning annual investment will increase to £120 million by March 2025 - to minimise disruptions caused by old buildings. These improvements will maintain the heritage of the estate while ensuring it is equipped with the latest technology to deliver modern justice, as well as improving accessibility for all court users. The announcement builds on the 24 Nightingale courtrooms – opened as temporary spaces to boost capacity following the pandemic – that have remained open in 2023.

The Crown Court worked for more than 100,000 sitting days across the country last year after the caps in place before the pandemic were removed. It heard cases for more than 98,500 days in 2021/22 after the Ministry of Justice first lifted the cap, compared to around 82,000 in 2019/20. In May and June this year, criminal courts dealt with thousands more cases compared to previous months as judges, court staff and those across the legal profession worked to tackle the outstanding caseload. Over 10,000 days were sat in March alone - the most days in a single month since July 2015.

The full article can be found [here](#).

HMICFRS

New police performance data published

Data about police performance has been consolidated and made available.

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) has worked closely with the National Police Chiefs' Council (NPCC), Association of Police and Crime Commissioners (APCC), College of Policing, National Crime Agency (NCA) and Home Office to publish the new public-facing Digital Crime and Performance Pack.

The data shows the performance of all 43 police forces in England and Wales against the measures in the Government's beating crime plan, including homicide and burglary.

The reports can be found [here](#).



HMICFRS

Policing is making progress in some areas, but forces still need to get a grip on performance

In a new report, His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) has highlighted police forces' progress in recording crime, increasing from an estimated 80.5 per cent of all crime being recorded (excluding fraud) in 2014 to 92.4 per cent at the end of 2021/2022 inspections.

However, the inspectorate has found that too many forces are failing to properly understand and manage their own performance, meaning they don't know what issues are most important to tackle and where and how they can improve.

Inspectors highlighted several other issues that policing needs to address to improve the service they provide to the public. These include:

- too many forces make decisions based on poor data or insufficient analysis of data;
- forces too often have knee jerk reactions to long term problems and don't work proactively enough to prevent issues arising in the first place;
- first-line supervisors are critical to improving performance and developing the right culture in forces, but they are not getting the investment and support they need;
- the public is too often being failed at the first point of contact, with long call delays, in particular non-emergency 101 calls; and
- the workforce is increasingly under-resourced and under skilled, with forces not doing enough to understand why such a large proportion of its workforce are leaving and having any plans in place to tackle it.

The report can be found [here](#).



HMICFRS

A number of PEEL inspections relating to specific forces have been published in the past few months. These are published at the link provided below.

[Publications - HMICFRS \(justiceinspectorates.gov.uk\)](https://www.justiceinspectorates.gov.uk/hmicfrs/publications/)



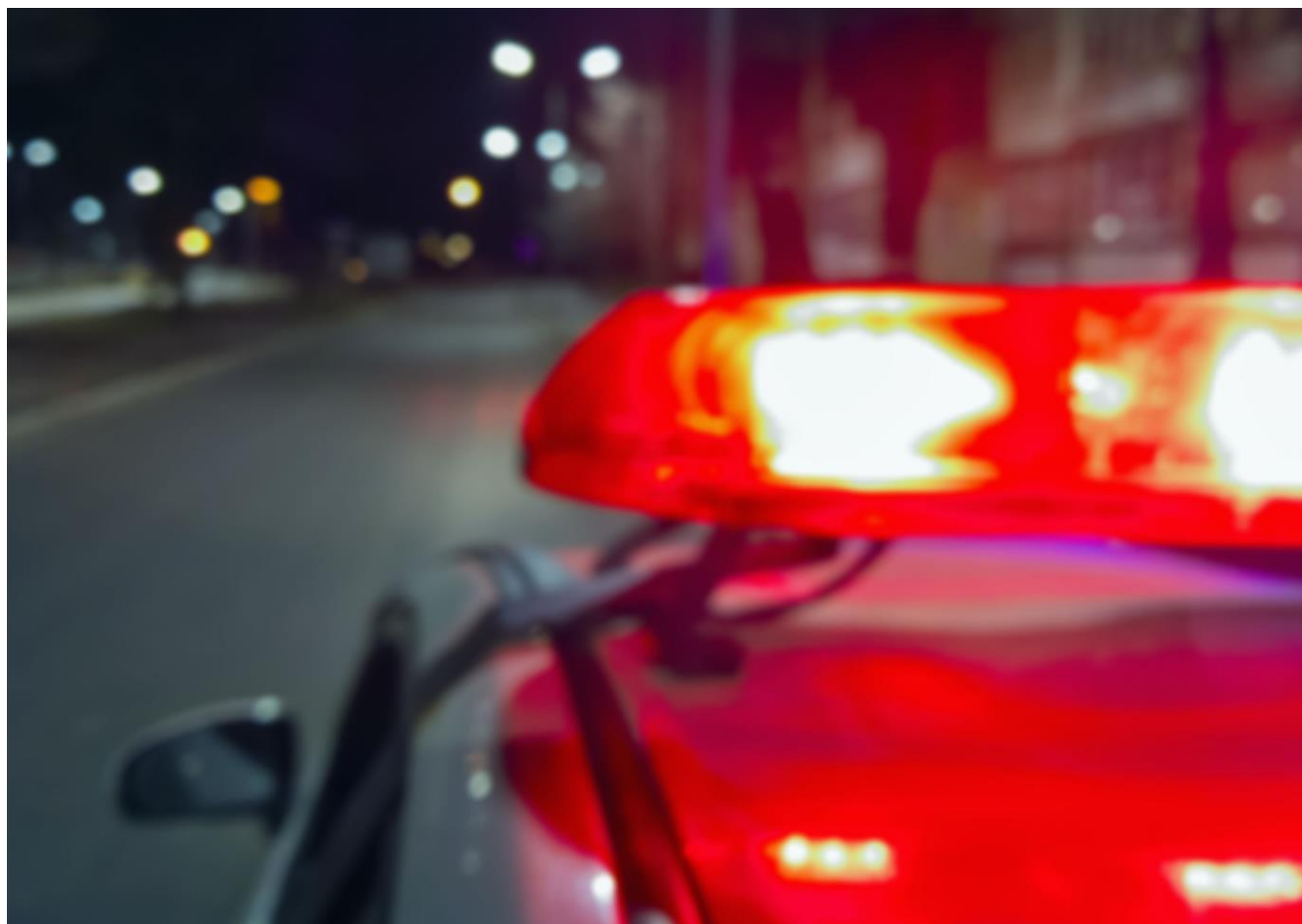


The Joint Audit Findings for Devon and Cornwall Police and Crime Commissioner and Chief Constable

Year ended 31 March 2022

September 2022

Updated March 2023



Contents



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2. Financial statements
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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the PCC and Chief Constable or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with management.

Alex Walling

Name : Alex Walling

For Grant Thornton UK LLP

Date : February 2023

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1. Headlines

This table summarises the key findings and other matters arising from the statutory audits of Devon and Cornwall Police and Crime Commissioner ('the PCC') and Devon and Cornwall Chief Constable and the preparation of the PCC's and Chief Constable's financial statements for the year ended 31 March 2022 for those charged with governance.

Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion the financial statements:

- give a true and fair view of the financial positions of the PCC and Chief Constable's income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with each set of audited financial statements including the Annual Governance Statement (AGS) and Narrative Report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our audit work was completed on site and remotely during June to September. Our findings are summarised on pages 5 to 19.

We have identified adjustments to the financial statements of the PCC that are detailed in Appendix C. We did not identify any adjustments to the financial statements of the Chief Constable.

We have raised recommendations for management as a result of our audit work in Appendix A. Our follow up of recommendations from the prior year's audits are detailed in Appendix B.

Our work is substantially complete and there are no matters of which we are aware of this time that would require modification of our audit opinion for the PCC's financial statements (including the financial statements which consolidate the financial activities of the Chief Constable) or the Chief Constable's financial statements or material changes to the financial statements, subject to the following outstanding matters;

- completion of our internal quality review processes;
- receipt of signed management representation letter; and
- review of the final (signed) sets of financial statements and Joint Annual Governance Statement.

We have concluded that the other information to be published with each set of financial statements is consistent with our knowledge of your organisations and the financial statements we have audited.

Our anticipated audit report opinions will be unmodified.

1. Headlines

Value for Money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether in our opinion, both entities have put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are now required to report in more detail on the overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance.

We have not yet completed all of our VFM work and so are not in a position to issue our Auditor's Annual Report. An audit letter explaining the reasons for the delay is attached in the Appendix G to this report. We expect to issue our Auditor's Annual Report by [May 2023](#). This is in line with the National Audit Office's revised deadline, which requires the Auditor's Annual Report to be issued no later than three months after the date of the opinion on the financial statements.

As part of our work, we considered whether there were any risks of significant weakness in the PCC and Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources. We identified a risk in respect of the capacity of the finance team when setting the budget following an error when setting the 2021/22 budget. [Our work on this risk has been completed and we are satisfied that this does not impact on our accounts opinion for 2021/22. An update is set out in the value for money arrangements section of this report.](#)

Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audits.

We have not exercised any of our additional statutory powers or duties.

We expect to certify the completion of the audits upon the completion of our work on the PCC and Chief Constable's VFM arrangements, which will be reported in our Annual Auditor's report [in May 2023](#).

Significant Matters

We did not encounter any significant difficulties or identify any significant matters arising during our audit.

2. Financial Statements

Overview of the scope of our audit

This Joint Audit Findings Report presents the observations arising from the audits that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management.

As auditor we are responsible for performing the audits, in accordance with International Standards on Auditing (UK) and the Code, which are directed towards forming and expressing an opinion on each set of financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the group, PCC and Chief Constable's business and is risk based, and in particular included:

- An evaluation of the PCC's and Chief Constable's internal controls environment, including its IT systems and controls; and
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks.

Conclusion

We have substantially completed our audits of your financial statements and, subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion on the financial statements of both the PCC and the Chief Constable following the Independent Audit Committee meeting on 27 September 2022, as detailed in Appendix E and F. These outstanding items are set out on page 3.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff.

2. Financial Statements



Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

We have revised the materiality due to the actual gross expenditure changing significantly from that at the planning stage resulting in a review of the appropriateness of the materiality figure.

We detail in the table here our determination of materiality.

	Amount (£)	Qualitative factors considered
Materiality for the financial statements	8,900k	Gross Expenditure was determined as the appropriate benchmark for determining materiality. 1.5% was deemed an appropriate rate to apply to the benchmark. The group materiality was determined using the Chief Constable's Gross Expenditure on Policing Services.
Trivial matters	440k	5% of materiality is deemed an appropriate level for triviality.
Materiality for senior officer remuneration	43k	A lower level of materiality was determined for the Senior Officer Remuneration balance due to the sensitivity surrounding this disclosure.

We have determined financial statement materiality based on a proportion of the gross expenditure of the group, the PCC and the Chief Constable for the financial year. For our audit testing purposes we apply the lowest of these, which is £8,900k (PY £8,200k), which equates to 1.5% of the Chief Constable's gross expenditure for the year.

2. Financial Statements - Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan	Relates to	Commentary
<p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The PCC and Chief Constable face external scrutiny of spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	Group, PCC and Chief Constable	<p>We have:</p> <ul style="list-style-type: none"> evaluated the design effectiveness of management controls over journals analysed the journals listing and determined the criteria for selecting high risk unusual journals identified and tested unusual journals made during the year and the accounts production stage for appropriateness and corroboration gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. <p>During our review of journals, there were a number of inquiries made into the processes and controls in place which caused significant delays and increased queries and analysis before we could finalise our selections of a sample of journals to test. This was as a result of a number of factors, including:</p> <ul style="list-style-type: none"> the lack of appropriate journal poster/approver data in the original General Ledger report journal posting screens having been inappropriately used for processing of some credit notes additional analysis and testing performed as a result of Segregation of duties issues flagged by the IT Audit review follow up of responses received to our journal inquiries with journal posters and approvers. <p>Update February 2023 - our audit work has not identified any issues in respect of management override of controls.</p>

2. Financial Statements - Significant risks

Risks identified in our Audit Plan	Relates to	Commentary
<p>The revenue and expenditure cycles include fraudulent transactions (rebutted)</p> <p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>In addition, Public Audit Forum Practice Note 10 states that auditors must also consider the risk that material misstatements in financial reporting may arise due to manipulation of expenditure recognition (for instance by deferring expenditure to a later period).</p> <p>As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition.</p>	<p>Group, PCC and Chief Constable</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue and expenditure streams of the PCC and the Chief Constable, we have determined that the risk of fraud arising from revenue and expenditure recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue or expenditure recognition; • opportunities to manipulate revenue and expenditure recognition are very limited; and • the culture and ethical frameworks of public sector bodies, including PCC, Chief Constable or Group, means that all forms of fraud are seen as unacceptable. <p>Therefore, we do not consider this to be a significant risk for the PCC, Chief Constable or Group.</p>

2. Financial Statements - Significant risks

Risks identified in our Audit Plan	Relates to	Commentary
<p>Valuation of land and buildings</p> <p>The PCC (and group) revalues its land and buildings on a five-yearly basis. In the intervening years, such as 2021/22, to ensure the carrying value in the financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date, the group requests a desktop valuation from its valuation expert to ensure that there is no material difference.</p> <p>This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.</p> <p>We therefore identified valuation of land and buildings as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	Group and PCC	<p>We have:</p> <ul style="list-style-type: none"> evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; evaluated the competence, capabilities and objectivity of the valuation expert; written to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met; used an auditor's expert to gain assurance that the PCC's approach to the valuations process is appropriate; challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding; and tested revaluations made during the year to see if they had been input correctly into the asset register. <p>February 2023 update - our audit work in this area is now complete following receipt of responses to queries raised with the external valuer.</p> <p>Our audit work identified the following issue:</p> <ul style="list-style-type: none"> Our testing of a sample of assets revalued identified that the incorrect build rate had been used in the valuation of Plymouth Crownhill Amenity block, resulting in an increase in the NBV of Land and Buildings of £661k. <p>The financial statements have been amended for the valuation error, which is set out in further detail in Appendix C.</p>

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Relates to

Commentary

Valuation of the pension fund net liability

The Group's pension liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.

The pension fund liabilities are considered a significant estimate due to the size of the numbers involved (£4.3bn in the Group's balance sheet for the year ended 31 March 2021) and the sensitivity of the estimate to changes in key assumptions.

The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation.

The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.

The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation.

With regard to these assumptions we have therefore identified valuation of the Group's pension fund net liability as a significant risk.

Group,
PCC and
the Chief
Constable

We have:

- updated our understanding of the processes and controls put in place by management to ensure that the group's pension fund net liability is not materially misstated and evaluate the design of the associated controls;
- evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work;
- assessed the competence, capabilities and objectivity of the actuary who carried out the group's pension fund valuation;
- assessed the accuracy and completeness of the information provided by the group to the actuary to estimate the liability;
- tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary;
- undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and
- requested assurances from the auditor of Devon Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

February 2023 update – the assurance letter from the pension fund auditor has now been received and considered. We have not identified any issues in respect of valuation of the pension fund net liability.

2. Financial Statements – new issues and risks

This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan and a summary of any significant deficiencies identified during the year.

Issue	Commentary	Auditor view
Useful estimated lives of assets	Our testing identified that a vehicle that had been disposed of in April 2021 had not been disposed of in the asset register, and had a remaining life of 3 years as at 31 March 2022	Management should review its procedures to ensure that the finance team responsible for the maintenance of the Fixed Asset Register are updated when any assets are disposed of.
IT Control deficiencies		
Our IT auditors carried out an assessment of the systems and controls of the information systems relevant to financial reporting. This included an overall IT General Control (ITGC) rating for Unit 4 and Active Directory. The control weaknesses below were identified in the general IT controls.		
New starters within Unit 4 are granted access rights by cloning the access of an existing user. We identified that when a new starter is set up within Unit4 for users doing the same or similar roles, their permissions are cloned from existing users.	Where user access rights are copied from existing users, any additional access rights that user has gained over time through additional job responsibilities will also be assigned, resulting in inappropriate and excessive access rights for the new user.	We recommend that new users are added to the system using a predefined set of user responsibilities. These rights should be reviewed and approved on a regular basis.
Inadequate control over privileged accounts within Unit4. During our testing it was noted that: <ul style="list-style-type: none"> One non-IT user (58379) had access to the Unit4 database, Three IT users had access to the “SYSTEM” role and the database. It was noted that access monitoring is performed by the finance team, however the review was restricted to ‘Accountancy’, ‘Exchequer & Purchasing’, ‘Payroll’ and ‘Uniforms’ roles. The review did not cover IT admin or database roles. We noted that monitoring was not being performed on the privileged access accounts (administration) for Active Directory.	Assigning excessive privileged access roles to more users than required increases the risk that system-enforced internal control mechanisms could be bypassed resulting in users being able to: <ul style="list-style-type: none"> Make unauthorised changes to system configuration parameters. Create unauthorised accounts. Make unauthorised updates to user account privileges. 	It is recommended that management: <ul style="list-style-type: none"> Perform a review of all user accounts and their access rights in Unit4 and confirm if these align with their designated roles and responsibilities. For those users identified as having access to both the system and the database, ensure there is monitoring in place For users no longer needing access to the database, these access rights should be revoked with immediate effect. Always assign access to any application on the principle of least privileges. Extend the access review monitoring to cover the critical (admin) roles. Where day to day responsibilities are contracted out to a third party, the responsibility for managing those controls should be clearly defined and monitored in order that controls are managed and operated effectively.

2. Financial Statements – new issues and risks (continued)

Issue	Commentary	Auditor view
<p>Segregation of duties conflict between developer and implementor for changes made to Unit4</p> <p>We obtained and compared the list of users who can develop and implement changes into the Live environment and noted that there were 12 users who were granted the “SYSTEM” role. This allows the user to implement functional changes.</p>	<p>The combination of access to develop and implement those changes in the production environment creates a risk that inappropriate or unauthorised changes are made to data and/ or programs.</p>	<p>Management should segregate a user’s ability to develop and implement changes.</p> <p>Where management is unable to fully segregated this access for operational reasons, alternative options to mitigate the risk could include performing a review of change implementation activity logs. These should be regularly reviewed for appropriateness by an independent individual with evidence retained or ensuring that all changes are peer reviewed before they are deployed to production.</p>

2. Financial Statements – key judgements and estimates

This section provides commentary on key estimates and judgements inline with the enhanced requirements for auditors.

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Land and Building valuations – £169m Relates to: Group and PCC	<p>The majority of land and buildings comprises £157m of specialised assets such as police stations, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision. The remainder of other land and buildings (£12m) are not specialised in nature and are required to be valued at existing use in value (EUV) at year end. The group/PCC has engaged Vickery Holman to complete the valuation of properties as at 1 February 2022 on a three yearly cyclical basis.</p> <p>All assets were revalued during 2021/22 with the exception of leasehold assets of £3m.</p> <p>Management have considered the potential valuation change in the assets revalued at 1 February 2022, with the valuer providing an updated valuation schedule at 31 March 2022 that reflects any significant asset changes. These values are reflected in the financial statements.</p> <p>The total year end valuation of land and buildings was £169m, a net increase/decrease of £3m from 2020/21 (£166m).</p>	<p>We reviewed your estimate considering:</p> <ul style="list-style-type: none"> • Assessment of management's expert to be competent, capable and objective; • Completeness and accuracy of the underlying information used to determine the estimate; • Reasonableness of increase/decrease in estimates on individual assets; • Consistency of estimate against the Gerald Eve report on property market trends, and reasonableness of the increase in the estimate; and • Adequacy of disclosure of estimate in the financial statements <p>Our audit work is now complete and our testing identified the following issue:</p> <ul style="list-style-type: none"> • Our testing of a sample of assets revalued identified that the incorrect build rate had been used in the valuation of Plymouth Crownhill Amenity block, resulting in an increase in the NBV of Land and Buildings of £661k. <p>The financial statements have been amended for this issue, which is set out in further detail in Appendix C.</p>	Light purple

Assessment

- [Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - key judgements and estimates

Significant judgement or estimate	Relates to	Summary of management’s approach	Audit Comments	Assessment																								
Net pension liability – Police Officer Pension Scheme : £3,890m	Group, PCC and the Chief Constable	<p>The PCC and Chief Constable’s total net pension liability at 31 March 2021 is £4,184m (PY £4,275m) comprising the Devon Pension Fund Local Government and unfunded defined benefit pension scheme obligations.</p> <p>£3,890m (PY £3,959m) is in respect of Devon Police Pension Fund. The PCC and Chief Constable use Barnet Waddingham to provide actuarial valuations of the PCC's and Chief Constable’s assets and liabilities derived from these schemes utilising key assumptions such as life expectancy, discount rates and salary growth. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements.</p> <p>A full actuarial valuation is required every four years. The latest full actuarial valuation was completed in 2020.</p> <p>There has been a £166m net actuarial gain during 2021/22.</p>	<p>In assessing the estimate, we have considered the following:</p> <ul style="list-style-type: none">• Assessment of management’s expert• Assessment of actuary’s approach using PwC as auditor’s expert to assess actuary and assumptions made by actuary – see results for key assumptions in the table below.• Completeness and accuracy of the underlying information used to determine the estimate• Impact of any changes to valuation method• Reasonableness of increase/decrease in estimate• Adequacy of the accounting treatment in the financial statements• Adequacy of disclosure of estimate in the financial statements <p>Our work did not identify any material issues in relation to this estimate.</p> <table><tr><th>Police Pension Scheme Assumptions</th><th>Actuary Value</th><th>PwC range</th><th>Assessment</th></tr><tr><td>Discount rate</td><td>2.60%</td><td>2.55% - 2.60%</td><td>●</td></tr><tr><td>Pension increase rate</td><td>3.20%</td><td>3.05% - 3.40%</td><td>●</td></tr><tr><td>Salary growth</td><td>4.20%</td><td>4.05% - 4.40%</td><td>●</td></tr><tr><td>Life expectancy – Males currently aged 45 / 65</td><td>22.4 21.1</td><td>21.8 – 22.4 20.5 – 21.1</td><td>●</td></tr><tr><td>Life expectancy – Females currently aged 45 / 65</td><td>24.9 23.4</td><td>23.2 – 25.4 21.5 – 23.8</td><td>●</td></tr></table>	Police Pension Scheme Assumptions	Actuary Value	PwC range	Assessment	Discount rate	2.60%	2.55% - 2.60%	●	Pension increase rate	3.20%	3.05% - 3.40%	●	Salary growth	4.20%	4.05% - 4.40%	●	Life expectancy – Males currently aged 45 / 65	22.4 21.1	21.8 – 22.4 20.5 – 21.1	●	Life expectancy – Females currently aged 45 / 65	24.9 23.4	23.2 – 25.4 21.5 – 23.8	●	Light purple
Police Pension Scheme Assumptions	Actuary Value	PwC range	Assessment																									
Discount rate	2.60%	2.55% - 2.60%	●																									
Pension increase rate	3.20%	3.05% - 3.40%	●																									
Salary growth	4.20%	4.05% - 4.40%	●																									
Life expectancy – Males currently aged 45 / 65	22.4 21.1	21.8 – 22.4 20.5 – 21.1	●																									
Life expectancy – Females currently aged 45 / 65	24.9 23.4	23.2 – 25.4 21.5 – 23.8	●																									

Assessment

- **Dark Purple** We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- **Blue** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- **Grey** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- **Light Purple** We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - key judgements and estimates

Significant judgement or estimate	Relates to	Summary of management’s approach	Audit Comments	Assessment																								
Net pension liability – LGPS : £294m	Group, PCC and the Chief Constable	<p>The PCC and Chief Constable’s total net pension liability at 31 March 2022 is £4,184m (PY £4,275m) comprising the Devon Pension Fund Local Government and unfunded defined benefit pension scheme obligations.</p> <p>£294m (PY £316m) is in respect of Devon Local Government Pension Fund. The PCC and Chief Constable use Barnet Waddingham to provide actuarial valuations of the PCC's and Chief Constable’s assets and liabilities derived from these schemes utilising key assumptions such as life expectancy, discount rates and salary growth. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements.</p> <p>A full actuarial valuation is required every three years. The latest full actuarial valuation was completed in 2019.</p> <p>There has been a £39m net actuarial gain during 2021/22.</p>	<p>In assessing the estimate, we have considered the following:</p> <ul style="list-style-type: none">Assessment of management’s expertAssessment of actuary’s approach using PwC as auditor’s expert to assess actuary and assumptions made by actuary – see results for key assumptions in the table below.Completeness and accuracy of the underlying information used to determine the estimateImpact of any changes to valuation methodReasonableness of the PCC and Chief Constable’s share of LGPS pension assetsReasonableness of increase/decrease in estimateAdequacy of the accounting treatment in the financial statementsAdequacy of disclosure of estimate in the financial statements <p>Our work did not identify any material issues in relation to this estimate.</p> <table><tr><th>LGPS Assumptions</th><th>Actuary Value</th><th>PwC range</th><th>Assessment</th></tr><tr><td>Discount rate</td><td>2.60%</td><td>2.55% - 2.60%</td><td>●</td></tr><tr><td>Pension increase rate</td><td>3.20%</td><td>3.05% - 3.45%</td><td>●</td></tr><tr><td>Salary growth</td><td>4.20%</td><td>4.05% - 4.45%</td><td>●</td></tr><tr><td>Life expectancy – Males currently aged 45 / 65</td><td>24.0 22.7</td><td>21.9 – 24.4 20.5 – 23.1</td><td>●</td></tr><tr><td>Life expectancy – Females currently aged 45 / 65</td><td>25.4 24.0</td><td>24.9 – 26.4 23.4 – 25.0</td><td>●</td></tr></table>	LGPS Assumptions	Actuary Value	PwC range	Assessment	Discount rate	2.60%	2.55% - 2.60%	●	Pension increase rate	3.20%	3.05% - 3.45%	●	Salary growth	4.20%	4.05% - 4.45%	●	Life expectancy – Males currently aged 45 / 65	24.0 22.7	21.9 – 24.4 20.5 – 23.1	●	Life expectancy – Females currently aged 45 / 65	25.4 24.0	24.9 – 26.4 23.4 – 25.0	●	Light purple
LGPS Assumptions	Actuary Value	PwC range	Assessment																									
Discount rate	2.60%	2.55% - 2.60%	●																									
Pension increase rate	3.20%	3.05% - 3.45%	●																									
Salary growth	4.20%	4.05% - 4.45%	●																									
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Life expectancy – Females currently aged 45 / 65	25.4 24.0	24.9 – 26.4 23.4 – 25.0	●																									

Assessment

- **Dark Purple** We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- **Blue** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- **Grey** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- **Light Purple** We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Independent Audit Committee. We have not been made aware of any incidents in the period and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	Letters of representation has been requested from both the PCC and the Chief Constable;; drafts of which were included in the September 2022 Independent Audit Committee papers.

2. Financial Statements - other communication requirements



Issue	Commentary
Confirmation requests from third parties	<p>We requested from management permission to send confirmation requests for bank and investment balances. This permission was granted and the requests were sent. All of these requests were returned with positive confirmation.</p> <p>We requested from management permission to send our request for assurance to the pension fund auditor. This permission was granted. The assurance letter is awaited at the time of writing this report.</p>
Accounting practices	<p>We have evaluated the appropriateness of the PCC's and Chief Constable's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions in the financial statements.</p>
Audit evidence and explanations/ significant difficulties	<p>All information and explanations requested from management was provided.</p>

2. Financial Statements - other communication requirements



Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the PCC's and Chief Constable's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the PCC and Chief Constable meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none"> the nature of the PCC and Chief Constable and the environment in which they operate the PCC's and Chief Constable's financial reporting framework the PCC's and Chief Constable's system of internal control for identifying events or conditions relevant to going concern management's going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none"> a material uncertainty related to going concern has not been identified for either the PCC or the Chief Constable management's use of the going concern basis of accounting in the preparation of both sets of financial statements is appropriate.

2. Financial Statements - other responsibilities under the Code

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with each set of audited financial statements, including the Annual Governance Statement and Narrative Report, is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>Inconsistencies have been identified but have been adequately rectified by management. We plan to issue an unmodified opinion in this respect.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • if the Annual Governance Statements do not comply with disclosure requirements set out in CIPFA/SOLACE guidance or are misleading or inconsistent with the information of which we are aware from our audits, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported significant weaknesses. <p>We have nothing to report on these matters.</p>



2. Financial Statements - other responsibilities under the Code

Issue	Commentary
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA audit instructions.</p> <p>We will submit the required assurance return to the NAO following issue of the 2021/22 opinion on the financial statements.</p>
Certification of the closure of the audit	<p>We intend to delay the certification of the closure of the 2021/22 audits of Devon and Cornwall PCC and Chief Constable in the audit reports, as detailed in Appendix E and F, due to our VFM work being incomplete.</p>

3. Value for Money arrangements

Approach to Value for Money work for 2021/22

The National Audit Office issued its guidance for auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)



Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information



Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

3. VFM - our procedures and conclusions

We have not yet completed all of our VFM work and so are not in a position to issue our Auditor's Annual Report. An audit letter explaining the reasons for the delay is attached in the Appendix H to this report. We expect to issue our Auditor's Annual Report by [May 2023](#). This is in line with the National Audit Office's revised deadline, which requires the Auditor's Annual Report to be issued no more than three months after the date of the opinion on the financial statements.

As part of our work, we considered whether there were any risks of significant weakness in the PCC and Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources. We identified the risk set out in the table below. We have performed further procedures in respect of this risk and have completed this element of our VFM work. Our conclusions are detailed below.

Risk of significant weakness	Procedures undertaken	Conclusion	Outcome
<p>Finance team capacity</p> <p>The lack of capacity within the finance team was identified as a contributory factor in the police payroll 2021/22 budget error of £3.4m, which required the identification of mitigating actions and potential use of reserves.</p> <p>We will follow up on the actions taken in respect of the finance team capacity for the 2022/23 budget setting process, and consider whether the weakness has been addressed.</p>	<p>We have followed up on the actions taken by management as a result of the budget error. These included:</p> <ul style="list-style-type: none"> Ensuring that the police payroll spreadsheet was reviewed by two different people Obtaining and reviewing the Standard Operating Procedure for this area to ensure it had been reviewed and updated appropriately by management Review of evidence supporting the additional capacity within the finance team. 	<p>A significant weakness in arrangements has not been identified for 2021/22.</p>	<p>We have no recommendations to make to the PCC or Chief Constable.</p>

4. Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix D.

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the group/PCC and Chief Constable. No non-audit services were identified which were charged from the beginning of the financial year to [February 2023](#).

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Transparency report 2020 \(grantthornton.co.uk\)](#)

Appendices

A. Action plan – Audit of Financial Statements

We have identified the following recommendations for the group/PCC as a result of issues identified during the course of our audits. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2022/23 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
RED	<p>Inadequate control over privileged accounts within Unit4.</p> <p>During our testing it was noted that</p> <ul style="list-style-type: none"> One non-IT user (58379) had access to the Unit4 database, Three IT users had access to the “SYSTEM” role and the database. <p>It was noted that access monitoring is performed by the finance team, however the review was restricted to ‘Accountancy’, ‘Exchequer & Purchasing’, ‘Payroll’ and ‘Uniforms’ roles. The review did not cover IT admin or database roles.</p> <p>We noted that monitoring was not being performed on the privileged access accounts (administration) for Active Directory.</p> <p>Assigning excessive privileged access roles to more users than required increases the risk that system-enforced internal control mechanisms could be bypassed resulting in users being able to:</p> <ul style="list-style-type: none"> Make unauthorised changes to system configuration parameters. Create unauthorised accounts. Make unauthorised updates to user account privileges. 	<p>It is recommended that management:</p> <ul style="list-style-type: none"> Perform a review of all user accounts and their access rights in Unit4 and confirm if these align with their designated roles and responsibilities. For those users identified as having access to both the system and the database, ensure there is monitoring in place For users no longer needing access to the database, these access rights should be revoked with immediate effect. Always assign access to any application on the principle of least privileges. Extend the access review monitoring to cover the critical (admin) roles. <p>Where day to day responsibilities are contracted out to a third party, the responsibility for managing those controls should be clearly defined and monitored in order that controls are managed and operated effectively.</p> <p>Management response</p> <p>We accept the recommendations that have been made.</p> <p>The access review processes outlined in the previous risk will be extended to include critical (admin) IT and database roles and will be overseen by Devon & Cornwall Police’s Senior Audit Manager. The frequency of the reviews will be conducted on at least a six-monthly basis or made available as required.</p> <p>Existing mitigating controls are already in place for leavers, who are promptly removed from the system and a log of individuals granted access to critical (admin) IT and database roles will continue to be kept and maintained.</p>

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

A. Action plan – Audit of Financial Statements (continued)

Assessment	Issue and risk	Recommendations
AMBER	<p>New starters within Unit 4 are granted access rights by cloning the access of an existing user.</p> <p>We identified that when a new starter is set up within Unit4, users doing the same or similar roles, their permissions are cloned from existing users.</p> <p>Where users access rights are copied from existing users, any additional access rights that user has gained over time through additional job responsibilities will also be assigned, resulting in inappropriate and excessive access rights for the new user.</p>	<p>We recommend that new users are added to the system using a predefined set of user responsibilities. These rights should be reviewed and approved on a regular basis.</p> <p>Management response</p> <p>We accept the recommendations that have been made.</p> <p>Users by default, will only be granted basic access permissions, such as the ability to report sickness, access individual payslips and personal details, etc.</p> <p>Working with the wider business, we will investigate granting access based on role profiles. However, until role-based profiles are established it will be necessary to continue basing access on similar user accounts as managers will be unaware what access to request. To mitigate the risk, the proposed access levels will be sent to the relevant line manager for review and approval before access is granted, thus providing a separate level of assurance.</p> <p>Additionally, Heads of Departments will be periodically provided with a report detailing their staff access levels in order to conduct a review of access rights for their staff and ensure that individuals only have the access required to deliver their roles.</p>
AMBER	<p>Segregation of duties conflict between developer and implementor for changes made to Unit4</p> <p>We obtained and compared the list of users who can develop and implement changes into the Live environment and noted that there were 12 users who were granted the “SYSTEM” role. This allows the user to implement functional changes.</p> <p>The combination of access to develop and implement those changes in the production environment creates a risk that inappropriate or unauthorised changes are made to data and/or programs.</p>	<p>Management should segregate a user’s ability to develop and implement changes.</p> <p>Where management is unable to fully segregate this access for operational reasons, alternative options to mitigate the risk could include performing a review of change implementation activity logs. These should be regularly reviewed for appropriateness by an independent individual with evidence retained or ensuring that all changes are peer reviewed before they are deployed to production.</p> <p>Management response</p> <p>We accept the recommendations that have been made.</p> <p>Processes will be implemented to ensure the member of staff designing and testing a change in the development environment is not the same member of staff that implements it into the live environment, ensuring at least two members of the team have visibility and understanding of the changes being made. Investigations will be made into how system audit capabilities might be used to ensure this happens. In addition, the existing Change Advisory Board and Change Release processes will continue, validating and recording planned changes prior to their implementation.</p> <p>Review of the 12 ‘users’ in the “SYSTEM” role will be conducted. Removal of human accounts that are no longer used will be actioned. Remaining accounts used for background processes (Service Accounts) will also be reviewed and removed if no longer required, which will be conducted within the next 3 months.</p>

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

A. Action plan – Audit of Financial Statements (continued)

Assessment	Issue and risk	Recommendations
AMBER	Our testing identified that a vehicle that had been disposed of in April 2021 had not been disposed of in the asset register, and had a remaining life of 3 years as at 31 March 2022	<p>Management must review its procedures to ensure that the finance team responsible for the maintenance of the Fixed Asset Register are updated when any assets are disposed of.</p> <p>Management response</p> <p>We accept the recommendation made.</p> <p>The in-year reconciliation work will be supplemented with an annual reconciliation completed at year end. This final check will ensure that all vehicles recorded in the fleet system are also recorded in the asset register. This task will be included in the year end timetable, and will include all disposals and additions.</p>

Assessment

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

B. Follow up of prior year recommendations

We identified the following issues in the audits of Devon and Cornwall PCC and Chief Constable's 2020/21 financial statements, which resulted in two recommendations being reported in our 2020/21 Audit Findings report. We are pleased to report that management have implemented all of our recommendations.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>Devon and Cornwall Police value their police stations at Depreciated Replacement Cost (DRC) as they are considered to be specialised assets. The DRC approach provides the current cost of replacing an asset with its Modern Equivalent Asset (MEA) less deductions for all physical deterioration and all relevant forms of obsolescence and optimisation. Key considerations in establishing the MEA is assessing the service potential (the service being provided by the asset) and whether an alternative site would be more appropriate than the current site.</p> <p>Management were not able to provide us with evidence that the service potential or alternative sites had been considered when making their assumptions for the valuation of DRC assets. The external valuer was also unable to provide any evidence that these assumptions had been considered when carrying out their work. We have requested a specific representation in respect of this issue in the PCC Letter of Representation.</p>	Our work on the revaluation of land and buildings has confirmed that this recommendation has been addressed in 2021/22.
✓	Our testing identified that two vehicles purchased in 2017 were allocated estimated useful life of 4 years and were fully depreciated at the year end. The useful lives for such vehicles would now be 10 years following a change of policy several years ago. The vehicles are scheduled be re-lived as part of the 2021/22 housekeeping exercise, but depreciation has been overstated in previous years.	This recommendation has been addressed in 2021/22.

Assessment

- ✓ Action completed
- X Not yet addressed

C. Audit Adjustments - PCC

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2022.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £' 000	Impact on total net expenditure £'000
Our testing of the valuation of land and buildings identified that the incorrect build rate had been used in the valuation of Plymouth Crownhill Amenity block, resulting in an increase in the NBV of Land and Buildings of £661k.	Surplus on revaluation of non-current assets (661)	Increase in land and buildings 661 Unusable reserves (661)	(661)
Overall impact	(661)	Nil	(661)

C. Audit Adjustments – Chief Constable

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

There are no adjusted misstatements in respect of the Chief Constable's accounts.

C. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.



Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure	Relates to	Detail	Adjusted?
Expenditure and Funding Analysis (note 7) and Adjustments between Accounting Basis and Funding Basis under Regulations (note 9)	PCC/ CC	Additional information added to the accounts to aid transparency of the strategic adjustments across the three sets of accounts (PCC, CC and Group) and ensure reconcile to other parts of the accounts. Prior period adjustments needed in PCC/ Group and CC accounts.	✓
Asset lives – vehicles (Note 11.3.2)	PCC	The disclosure has been updated from 3-15 to 3-25 years to reflect the correct range of asset lives allocated to vehicles.	✓
External audit costs (Note 24)	Group, PCC and Chief Constable	The audit fee disclosures have been updated to reflect the updated position since the draft accounts were produced.	✓
Officers' Remuneration (Note 25)	Group, PCC and Chief Constable	A disclosure change of £193 was made to amounts disclosed for one officer following our testing.	✓
General	Group, PCC and Chief Constable	A small number of other amendments have been made to the draft accounts to correct minor disclosure and presentational issues that do not warrant being individually reported to Those Charged with Governance.	✓

D. Fees

We confirm below our final fees for the accounts audit and confirm there were no fees for the provision of non audit services.

Audit fees	Proposed fee (£)	Final accounts fee (£)
PCC Audit	51,160	£58,500
Chief Constable Audit	24,008	£25,918
Total audit fees (excluding VAT)	** £75,168	* £84,418

* More detail is given overleaf. The final accounts fees is subject to agreement by PSAA. This does not include the VFM work.

** The proposed fee is as per the Audit Plan which included the fee for the VFM work (£9,000) which is ongoing and £5,000 for remote working. See over for more detail.

The difference between the final accounts fee and the proposed fee per the audit plan is set out over the page. This is still subject to approval by PSAA and has therefore not been reflected in full in the financial statements.

The proposed fees reconcile to the financial statements.

Final Accounts Audit Fees for 2021-22

We confirm below our final fees charged for the accounts audit work.

Audit fees	2021-22 Planned fee PCC	2021/22 Planned fee Chief Constable	* 2021/22 Final fee PCC	* 2021/22 Final fee Chief Constable
Scale Fee published by PSAA	£27,992	£14,438	£27,992	£14,438
Raising the bar / regulatory factors/ enhanced procedures	£5,188	£3,250	£5,188	£3,250
Increased audit requirements of revised ISAs	£3,200	£1,600	£3,200	£1,600
Engagement of a valuation expert	£2,500		£2,500	
WGA	£1,980	£1,020	£1,980	£1,020
Total as per Audit Plan ** ***	£40,860	£20,308	£40,860	£20,308
Additional work undertaken on IT systems to establish the extent of issues noted in our IT general controls work, their impact on our other work (eg management override of controls) and subsequent work to respond to these issues and gain appropriate assurance. See pages 7, 11, 12.			£5,610	£2,890
Additional work to resolve issues identified as part of our PPE work/ delays in responses to queries from the external valuer. The findings are summarised on Pages 9 and 29.			£2,500	
Additional costs from valuation expert for additional review of terms of engagement and other queries.			£4,250	
The accounts were subject to an internal technical review which raised a number of queries surrounding how the PCC and Chief Constable had accounted for items especially with regard to the Expenditure Funding Analysis. Additional work was required to respond to these queries and resulted in prior period adjustments. See page 31 for more detail.			£5,280	£2,720
Total audit fees (excluding VAT)	£40,860	£20,308	£58,500	£25,918

* The final fee variation is subject to approval by PSAA

** VFM work still in progress – fee to be confirmed separately

*** The Audit Plan included a fee for remote working. We were able to work on site and therefore this fee has not been levied.

E. Audit opinion - PCC

Our audit opinion is included below. We anticipate we will provide the PCC with an unmodified audit report

Independent auditor's report to the Police and Crime Commissioner for Devon and Cornwall

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of the Police and Crime Commissioner for Devon and Cornwall (the 'Police and Crime Commissioner') and its subsidiary the Chief Constable (the 'group') for the year ended 31 March 2022 which comprise the Group Movement in Reserves Statement, the PCC Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the PCC Comprehensive Income and Expenditure Statement, the Group and PCC Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies, and include the Police Officers' Pension Fund Statement. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Police and Crime Commissioner as at 31 March 2022 and of the group's expenditure and income and the Police and Crime Commissioner's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Police and Crime Commissioner and the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Financial Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Police and Crime Commissioner and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Police and Crime Commissioner and the group to cease to continue as a going concern.

In our evaluation of the Chief Financial Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22 that the Police and Crime Commissioner and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Police and Crime Commissioner and the group. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Police and Crime Commissioner and group and the Police and Crime Commissioner and group's disclosures over the going concern period.

E. Audit opinion - PCC

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Police and Crime Commissioner's and the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Chief Financial Officer with respect to going concern are described in the 'Responsibilities of the Police and Crime Commissioner and the Chief Financial Officer for the financial statements' section of this report.

Other information

The Chief Financial Officer is responsible for the other information. The other information comprises the information included in the Joint Annual Governance Statement and Statement of Accounts, other than the Police and Crime Commissioner and group financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the Police and Crime Commissioner and the group obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Joint Annual Governance Statement does not comply with the 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Joint Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matter required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Police and Crime Commissioner, the other information published together with the financial statements in the Statement of Accounts and the Joint Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Police and Crime Commissioner under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

E. Audit opinion - PCC

Responsibilities of the Police and Crime Commissioner and the Chief Financial Officer for the financial statements

As explained more fully in the Statement of Responsibilities, the Police and Crime Commissioner is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Financial Officer. The Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22, for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Police and Crime Commissioner's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Police and Crime Commissioner and the group will no longer be provided.

The Police and Crime Commissioner is Those Charged with Governance. Those charged with governance are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Police and Crime Commissioner and the group and determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those related to the reporting frameworks (international accounting standards as interpreted and adapted by the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22, The Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003 and the Police Reform and Social Responsibility Act 2011). We also identified the following additional regulatory frameworks in respect of the police pension fund: Public Service Pensions Act 2013, the Police Pension Fund Regulations 2007, the Police Pensions Regulations 2015 and the Police Pensions Regulations 2006.
- We enquired of senior officers and the Police and Crime Commissioner, concerning the Police and Crime Commissioner and group's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of senior officers, internal audit and the Police and Crime Commissioner, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud

E. Audit opinion - PCC

- We assessed the susceptibility of the Police and Crime Commissioner and group's financial statements to material misstatement, including how fraud might occur, by evaluating officers' incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and revenue and expenditure recognition. We determined that the principal risks were in relation to:
 - Journals and transactions outside the course of business; and
 - The significant accounting estimates in the financial statements, including those related to the valuation of property, plant and equipment, depreciation, the net pension fund liability and significant year-end accruals.
 - Our audit procedures involved:
 - evaluation of the design effectiveness of controls that the Chief Financial Officer has in place to prevent and detect fraud;
 - journal entry testing, with a focus on large and unusual journals;
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of property, plant and equipment, depreciation, the net pension liability and significant year-end accruals;
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
 - These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
 - The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to the valuation of property, plant and equipment, the net pension liability and significant year-end accruals.
- Our assessment of the appropriateness of the collective competence and capabilities of the Police and Crime Commissioner and group's engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the police sector
 - understanding of the legal and regulatory requirements specific to the Police and Crime Commissioner and group including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA, LASAAC and SOLACE
 - the applicable statutory provisions.
 - In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Police and Crime Commissioner and group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the Police and Crime Commissioner and group's control environment, including the policies and procedures implemented by the Police and Crime Commissioner and group to ensure compliance with the requirements of the financial reporting framework.

E. Audit opinion - PCC

Report on other legal and regulatory requirements - the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

Our work on the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Police and Crime Commissioner's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in a further auditor's report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2022.

Responsibilities of the Police and Crime Commissioner

The Police and Crime Commissioner is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Police and Crime Commissioner plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Police and Crime Commissioner ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Police and Crime Commissioner uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Police and Crime Commissioner has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements - Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for the Police and Crime Commissioner for Devon and Cornwall for the year ended 31 March 2022 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed:

- our work on the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources and issued our Auditor's Annual Report.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2022.

E. Audit opinion - PCC

Use of our report

This report is made solely to the Police and Crime Commissioner, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Police and Crime Commissioner those matters we are required to state to the Police and Crime Commissioner in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner as a body, for our audit work, for this report, or for the opinions we have formed.

Alex Walling, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

F. Audit opinion – Chief Constable

Our audit opinion is included below. We anticipate we will provide the Chief Constable with an unmodified audit report

Independent auditor's report to the Chief Constable for Devon and Cornwall

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of the Chief Constable for Devon and Cornwall (the 'Chief Constable') for the year ended 31 March 2022 which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies, and include the Police Officers' Pension Fund Statement. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2022 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Chief Constable in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Financial Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chief Constable's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Chief Constable to cease to continue as a going concern.

In our evaluation of the Chief Financial Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22 that the Chief Constable's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Chief Constable. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Chief Constable and the Chief Constable's disclosures over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Chief Financial Officer with respect to going concern are described in the 'Responsibilities of the Chief Constable and the Chief Financial Officer for the financial statements' section of this report.

F. Audit opinion – Chief Constable

Other information

The Chief Financial Officer is responsible for the other information. The other information comprises the information included in the Joint Annual Governance Statement and Statement of Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the Chief Constable obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Joint Annual Governance Statement does not comply with the 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Joint Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matter required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Chief Constable, the other information published together with the financial statements in the Statement of Accounts and the Joint Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Chief Constable under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Chief Constable and the Chief Financial Officer for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Constable is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Financial Officer. The Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22, for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Chief Constable will no longer be provided.

The Chief Constable is Those Charged with Governance. Those charged with governance are responsible for overseeing the financial reporting process.

F. Audit opinion – Chief Constable

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those related to the reporting frameworks (international accounting standards as interpreted and adapted by the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22, The Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003 and the Police Reform and Social Responsibility Act 2011. We also identified the following additional regulatory frameworks in respect of the police pension fund; Public Service Pensions Act 2013, the Police Pension Fund Regulations 2007, the Police Pensions Regulations 2015 and the Police Pensions Regulations 2006.

- We enquired of senior officers and the Chief Constable, concerning the Chief Constable's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of senior officers, internal audit and the Chief Constable, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur, by evaluating officers' incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and revenue and expenditure recognition. We determined that the principal risks were in relation to:
 - Journals and transactions outside the course of business; and
 - the significant accounting estimates in the financial statements, including those related to the valuation of the net pension fund liability.
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that the Chief Financial Officer has in place to prevent and detect fraud;
 - journal entry testing, with a focus on large and unusual journals;
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of net pension fund liability;
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

F. Audit opinion – Chief Constable

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to the net pension fund liability.
- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the police sector
 - understanding of the legal and regulatory requirements specific to the Chief Constable including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA, LASAAC and SOLACE
 - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Chief Constable's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the Chief Constable's control environment, including the policies and procedures implemented by the Chief Constable to ensure compliance with the requirements of the financial reporting framework.

Report on other legal and regulatory requirements - the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

Our work on the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Chief Constable's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in a further auditor's report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2022.

Responsibilities of the Chief Constable

The Chief Constable is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

F. Audit opinion – Chief Constable

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021. This guidance sets out the arrangements that fall within the scope of ‘proper arrangements’. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Chief Constable plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Chief Constable ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Chief Constable uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Chief Constable has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor’s Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for the Chief Constable for Devon and Cornwall for the year ended 31 March 2022 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed:

- our work on the Chief Constable’s arrangements for securing economy, efficiency and effectiveness in its use of resources and issued our Auditor’s Annual Report.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2022.

Use of our report

This report is made solely to the Chief Constable, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Chief Constable those matters we are required to state to the Chief Constable in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable as a body, for our audit work, for this report, or for the opinions we have formed.

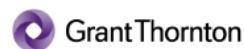
Alex Walling, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

G. Audit letter in respect of delayed VFM work

Commercial in confidence



Our ref: VFM extension letter
Your ref: --

Will Kerr
Chief Constable for Devon and Cornwall

Alison Hernandez
Police and Crime Commissioner for Devon and Cornwall

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21 February 2023

Dear Alison and Will

VFM extension

The original expectation under the approach to VFM arrangements work set out in the 2020 Code of Audit Practice was that auditors would follow an annual cycle of work, with more timely reporting on VFM arrangements, including issuing their commentary on VFM arrangements for local government by 30 September each year at the latest. Unfortunately, due to the on-going challenges impacting on the local audit market, including the need to meet regulatory and other professional requirements, we have been unable to complete our work as quickly as would normally be expected. The National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many as possible could be issued in line with national timetables and legislation.

We wrote to you on 20 September 2022 to confirm that we expected to publish our Auditor's Annual Report, including our commentary on arrangements to secure value for money, no later than 31 January 2023. We have not been able to issue our Auditor's Annual Report by this date because of capacity within the audit team and the focus on delivering accounts audits. We now expect to publish our report by 31 May 2023.

For the purposes of compliance with the 2020 Code, this letter constitutes the required audit letter explaining the reasons for delay.

Yours sincerely

Alex Walling

Alex Walling
Director

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AGENDA NO: 13

INDEPENDENT AUDIT COMMITTEE

DATE OF MEETING: 26th September 2023

FOIA OPEN:

TITLE OF REPORT: CIPFA FM Model Review from 2020

REPORT BY: Robin Wheeler (Strategic Alliance Head of Finance)

PURPOSE OF THE REPORT:

To present an update and provide assurance on one or more of the following areas:

Governance, Risk and Control	X
Internal Audit	X
External Audit	
Financial reporting	
Other matter (please specify here)	
Appendices (please specify the number)	

RECOMMENDATIONS:

The Independent Audit Committee is asked to:

Review the Report	
Consider the Report	X
Note the report	
Other (please specify here)	

1. BACKGROUND INFORMATION

- 1.1 A review of both Forces and the Alliance finance arrangements was undertaken in March 2020 using the CIPFA Financial Management (FM) Model.
- 1.2 Following the review a number of actions were recommended by CIPFA, a number of which were completed, and others either work in progress or not progressed.
- 1.3 Action 277 from the IAC actions log refers to :-

KJ to include in the IAC Training Day an exceptions report on any issues arising from the Good Governance Framework and the CIPFA FM Code.

2. HEAD OF FINANCE REVIEW

- 2.1 As part of my on-boarding as the Alliance Head of Finance I have undertaken a thorough review of all outstanding audit actions, including the specific actions from 1.3 above in regard to the 2020 FM Review.
- 2.2 The review is now more than 3 years old and the way both organisations work has changed significantly post Covid lockdowns and multiple governance / leadership changes in both organisations have also taken place.
- 2.3 I have discussed the current position with the Senior Audit Manager and both Force's s151 Officers, and our collective view was that we should look to re-run the exercise to gain a more up to date and relevant picture.
- 2.4 The Senior Audit Manager and myself met with CIPFA on the 8th August to discuss the possibility of re-running. They advised that they have moved on from the FM Model and this would now be a bespoke and chargeable piece of work costing in the region of £50k.
- 2.5 We discussed with CIPFA our current position, and in particular the improvements we will be looking to make as part of the ERP Optimisation programme that has now been given approval by the joint business change (PRISM) board. Their view was that we should wait until we have made significant progress with the systems and process improvements before any re-assessment takes place.
- 2.6 Both Force's have signed up to CIPFA's "Achieving Excellence in Police Finance III" programme (AFEP III) in 2023/24, however this programme does not provide consultancy per Force but instead provides access to thematic reviews :-
- Financial sustainability and resilience
 - People development : capability and capacity
 - Governance and decision making
 - Environmental sustainability
 - Asset management

[Achieving Finance Excellence in Policing \(cipfa.org\)](https://www.cipfa.org/achieving-finance-excellence-in-policing)

- 2.7 The focus of the programme is to provides the opportunity for cross-force collaboration, bringing colleagues together to share innovation and best practice. The programme provides relevant training aimed at delivering excellence across the police finance community.
- 2.8 The cost of joining this programme is £20k + VAT per Force.

3. CONCLUSIONS AND RECOMMENDATIONS

- 3.1 The 2020 review, whilst relevant at the time, would need updating and the external cost and internal time needed to do this does not feel proportionate.
- 3.2 Instead the focus should be on :-
- ERP Optimisation Programme – system and process efficiency/audit assurance
 - Engagement and adoption of best practice from AFEP III Programme

- 3.3 A further review/assessment could then be undertaken once we have made significant progress with the above.

Robin Wheeler
Strategic Alliance Head of Finance
September 2023



WORKING
TOGETHER



**DORSET
POLICE**



PCC
Office of the Police
and Crime Commissioner
Devon and Cornwall



DORSET
POLICE & CRIME
COMMISSIONER
DAVID SIDWICK

INDEPENDENT AUDIT COMMITTEE

TERMS OF REFERENCE

Statement of purpose

The Independent Audit Committee is a key component of the corporate governance for Devon & Cornwall Police, the Police and Crime Commissioner for Devon and Cornwall and for Dorset Police and the Police and Crime Commissioner for Dorset.

The purpose of the Independent Audit Committee is to provide independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to the PCC and chief constable that those arrangements are effective.

The Committee should give such advice and make recommendations on improvements as it considers appropriate, and to request any report, policy or other document to provide the assurance sought. In accordance with the Revised Financial Management Code of Practice for the Police Forces of England and Wales (FMCP) (Home Office 2018) the Independent Audit Committee is an advisory body only. The Chartered Institute of Public Finance and Accountancy, CIPFA, notes that as a non-executive body, the influence of the audit committee depends not only on the effective performance of its role, but also on its engagement with the leadership team and those charged with governance.

The Committee will review its own effectiveness and provide an annual report to the Chief Constables and Police and Crime Commissioners.

These terms of reference summarise the core functions of the Committee in relation to the offices of the Chief Constables and Police and Crime Commissioners.

Governance, risk and control

- To review the force corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.
- To monitor the effective development and operation of risk management in the OPCC and force.
- To monitor progress in addressing risk-related issues reported to the committee.
- To consider the OPCC's and force arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

- To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA'S Financial Management Code.
- Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- To review the assessment of fraud risks and potential harm to the OPCC and force from fraud and corruption.
- To monitor the counter-fraud strategy, actions and resources.
- Review the governance and assurance arrangements for significant partnerships or collaborations.

Internal audit

- To recommend for approval the Internal Audit Charter • To recommend for approval the internal audit charter.
- To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- To review the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- To consider significant interim changes to the risk-based internal audit plan and resource requirements.
- To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- To consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to recommend and periodically review safeguards to limit such impairments.

- To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work
 - regular reports on the results of the QAIP
 - reports on instances where the internal audit function does not conform to the PSIAS and LGAN, considering whether the non-conformance is significant enough that it must be included in the AGS.
- To consider the head of internal audit's annual report, including:
 - the statement of the level 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)
 - the opinion on the overall adequacy and effectiveness of the framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the committee in reviewing the AGS).
- To consider summaries of specific internal audit reports as requested.
- To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the OPCC or force, or where there are concerns about progress with the implementation of agreed actions.
- To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.
- To consider a report on the effectiveness of internal audit to support the AGS where required to do so by the accounts and audit regulations
- To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

External audit

- Support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review any issues raised by either Public Sector Audit Appointments Limited (PSAA) or, the auditor panel as appropriate.

- Comment on the scope and depth of external audit work, and whether it gives satisfactory value for money.
- To advise on commissions of additional work from external audit.
- Consider the auditor's annual management letter, relevant reports and the report to those charged with governance.
- Consider specific reports as agreed with external audit.
- Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies, or relevant bodies. To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee.

Financial and governance reporting

Governance reporting

- To review the AGS prior to approval by the PCC and chief constable and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.
- To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the OPCC's and force's objectives.

Financial reporting

- To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
- 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 that need to be brought to the attention of the relevant Chief Constable or Police and Crime Commissioner.
- Consider the external auditor's report to the PCC and the chief constable on issues arising from the audit of the accounts.

Accountability arrangements

- To report to the PCC and chief constable on the committee's 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.
- To report to the PCC and chief constable on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
- To publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement.

Operating Principles

These are set out separately in the Committee's Operating Principles document.

Review

The terms of reference will be subject to annual review by the Head of Audit, Insurance and Strategic Risk Management in conjunction with the Chair of the Independent Audit Committee and approved by the Chief Constables and Police and Crime Commissioners.

Date of next review: September 2024



INDEPENDENT AUDIT COMMITTEE

OPERATING PRINCIPLES

INTRODUCTION

The statutory Financial Management Code of Practice requires that a Chief Constable (CC) and a Police and Crime Commissioner (PCC) establish an Independent Audit Committee and recommends that this should be a combined body.

The Chief Constables and Police and Crime Commissioners of Devon & Cornwall and Dorset (the four corporations sole) have created a single Independent Audit Committee to advise them.

The Independent Audit Committee will comment and provide advice and assurance on any matter relating to the internal control environment of the Forces and the OPCCs. The functions to be overseen by the Committee will include internal and external audit, relevant control strategies, such as risk management, and governance and assurance statements. The Committee provide independent scrutiny of the Forces and PCCs financial and non-financial performance to the extent that it affects their exposure to risk and weakens the control environment; and oversee the financial reporting process, including anti-fraud and anti- corruption arrangements. The Committee will also maintain oversight of general governance matters and comment on proposed new or revised Force or PCC policies and strategies which, in the opinion of the Chief Financial Officers, are significant in terms of financial risk and probity.

If the Independent Audit Committee has concerns about a specific governance or audit matter it may request the relevant policy or strategy to be presented to the Committee in order that assurance may be obtained, and constructive comment provided where appropriate.

For the benefit of doubt, the scope of the Independent Audit Committee's remit does not extend to Force performance and Force operational risks, or HMICFRS reports with an operational focus. Day-to-day management of the internal audit function and any reviews that may be carried out by Police and Crime Panels are also out of scope.

This document supports the Terms of Reference for the Independent Audit Committee.

COMPOSITION

The Financial Management Code of Practice suggests that the Independent Audit Committee should comprise between three and five members, independent of PCCs and Forces. The four corporations' sole have agreed that their Independent Audit Committee should have five members, with a quorum of three, to provide a robust and resilient approach for the Committee to discharge its duties effectively.

CHAIR AND VICE-CHAIR

The Independent Audit Committee will elect the Chair and Vice-Chair annually. It is a matter for the members of the Independent Audit Committee to decide any restriction on the number of terms of office for the Chair and Vice-Chair. In doing so Members have a duty to consider individual tenure of the Independent Audit Committee together with the need to effectively prepare for succession planning in both the role of Chair and Vice Chair as well as consideration of a longer-term appointment for the Chair in line with CIPFA Practical Guidance for Audit Committees.

ELIGIBILITY

Independent Audit Committee Members must be independent of both Forces and PCCs. Serving police officers, police staff or members of staff employed in the Office of the PCC (OPCC) are not eligible for appointment. A person who has previously been so employed must have a minimum two-year break before being eligible for appointment to serve on the Independent Audit Committee.

A person who has been appointed or co-opted to serve on the Police and Crime Panel or, is a councillor or an employee of a council represented on the Panel is not eligible for appointment to the Independent Audit Committee. A person who has previously been so engaged must have a minimum two-year break before being eligible for appointment to the Independent Audit Committee.

Members must have been successfully vetted to non-police personnel vetting (NPPV) basic level before confirmation of their appointment to the Independent Audit Committee. They must declare all arrests, convictions and cautions on the vetting form and whether they are 'spent' under the terms of the Rehabilitation of Offenders Act.

A person who is an undischarged bankrupt is not eligible for appointment to the Independent Audit Committee.

All members must uphold the College of Policing – Code of Ethics and the Nolan Principles. . They are required to inform the Monitoring Officer immediately if they become aware of any allegation, complaint or event that could have a bearing on their conduct or integrity. The Monitoring Officer is the Chief Executive of either Devon & Cornwall or Dorset.

Failure to meet and uphold the necessary standards may result in removal as a member of the Independent Audit Committee.

Independent Audit Committee members are required to declare relevant pecuniary and other interests which will be recorded in a register of such interests kept by the Monitoring Officer. Additionally, in connection with attending meetings of the Independent Audit Committee, relevant personal or prejudicial interests must always be declared in the approved manner. Relevant gifts and hospitality received must also be declared.

It is a condition of appointment that all Independent Audit Committee members accept that their name, photograph, all declarations of interest, remuneration and expenses received as a committee member, and registered gifts and hospitality may be made publicly available.

In the interests of individual effectiveness and personal development, it is also a condition of appointment that all Independent Audit Committee members accept that they will be the subject of an annual appraisal process with the Chair of the Committee. The Chair of the Independent Audit Committee will be appraised by the Chief Financial Officers of Devon & Cornwall and Dorset. Appraisals will include discussion of the support provided by other Committee members as well as professional or administrative officers.

Decisions in relation to IAC membership will be a matter for the Chief Constables and PCCs.

RECRUITMENT

Recruitment of new members to the Independent Audit Committee will be carried out, where possible in conjunction with the Chair of the Audit Committee and all appointments will be approved by the CCs and PCCs, or their representatives.

The primary considerations when recruiting will be to maximise the Committee's diversity, knowledge base, skills, ability to be objective and independent and have Committee membership that works well together.

Where possible open recruitment will commence six months prior to the end of any Committee member tenure period.

TENURE

Members of the Independent Audit Committee can serve a term of up to five years, reporting directly to the respective PCCs and CCs. No person is to serve on the Committee for more than ten consecutive years.

If a member chooses to resign from their appointment, they should give three months' notice, unless their circumstances have changed in ways that make it appropriate to resign earlier.

At the end of a tenure period, an open recruitment process will take place, where members will have the opportunity to reapply for a position subject to the maximum tenure of ten consecutive years.

If a member's performance as an Independent Audit Committee member is decided to be unacceptable, or if their conduct (including conflicts of interest) is unacceptable the appointment will be terminated. Generally, a one-month notice period following the approval of the CCs and PCCs will be given unless the conduct is such that the CCs and PCCs consider it appropriate for immediate dismissal.

During the one-month notice period attendance at meetings of the Independent Audit Committee will be suspended unless agreed by the Committee Chair or Vice Chair in the case of suspension of the Chair.

CO-OPTING

In usual circumstances any vacancy in Independent Audit Committee membership will be filled by open recruitment, however, in some circumstances it may be expedient to co-opt a member.

The decision to co-opt must have the explicit agreement of the majority of CCs and PCCs in advance of any selection and appointment process. The number of Committee members including the co-opted member will be no more than the maximum size of the Independent Audit Committee (five members).

The selection of the co-opted member will be based on their specialist knowledge, skills and expertise, and will include consideration of a written application/cv and a suitability interview. The proposed co-opted member is required to pass the normal vetting and right to work processes. The final appointment must be confirmed by the majority of CCs and PCCs.

The co-opted member will be remunerated at the same rate as a committee member.

The tenure of the co-opted member can be no longer than the next cycle of open recruitment. The co-opted member can apply in open competition should they wish to be considered for a permanent appointment. Any appointment term will include the period when they were a co-opted member.

The co-opted member cannot be appointed as the Chair or Vice Chair of the Independent Audit Committee, but otherwise has the full rights and responsibilities of other Committee members.

FREQUENCY OF MEETINGS

The Independent Audit Committee will normally meet four times each year, at appropriate times during the audit and financial reporting cycle. Exceptionally, ad-hoc meetings of the Committee may be scheduled if agreed by the two Force Chief Finance Officers, in conjunction with the two Chief Executive Officers.

The Independent Audit Committee can meet internal and external audit as felt necessary by the Committee, with no officers' present.

In addition, the members can hold meetings in private for briefings, training and development. Formal decisions cannot be taken at such meetings.

Papers will normally be sent to members one week and one day (8 days) before each formal meeting of the Committee. Late papers will be submitted as a matter of exception and only with the agreement of the Committee Chair.

The Chair's papers briefing will take place in the 8-day period prior to each formal meeting of the Committee.

The CCs and PCCs may ask the Independent Audit Committee to convene further meetings to discuss issues on which they seek the Committee's advice. Such meetings will have a minimum notice of five working days.

A forward plan of meeting dates will be in place with a minimum of two meetings in advance.

ATTENDANCE

A minimum number of three (3) members must be present for a meeting to be quorate.

Members are required to attend a minimum of three of the formal Independent Audit Committee meetings in any year, except in exceptional circumstances.

Meetings will generally be held using a secure virtual meeting solution, although there may be an occasional requirement to meet in person. Normally, there will be a least one meeting held annually in a single physical location.

COMMISSIONER AND CHIEF CONSTABLE REPRESENTATION

The Financial Management Code of Practice requires the executive of the PCCs and CCs to be represented at meetings of the Independent Audit Committee. This would normally include the Chief Finance Officers and the Chief Executives/Monitoring Officers, plus other OPCC or Force representatives as deemed necessary by the PCCs and CCs.

PROFESSIONAL AND ADMINISTRATIVE SUPPORT

Reasonable executive and administrative support will be provided to allow the Independent Audit Committee to achieve its purpose. Such support will provide or assist in providing timely production of agendas and reports, management of the Committee's IT library of relevant support papers and background documents, reports produced by the Committee, including the Committee annual report and annual review of the Committee's effectiveness.

The allocation of secretariat support to the Independent Audit Committee and its funding will be agreed by the PCCs and CCs, as and when necessary.

With the joint approval of the respective Chief Financial Officers of the PCCs and CCs the Committee may procure specialist advice, where this is not already available within existing Independent Audit Committee support arrangements or, it is not considered appropriate to use that support.

METHODS OF WORKING

The Independent Audit Committee will have a supportive and constructive ethos, providing robust challenge to enable it to provide credible assurance to the CCs and

the PCCs on relevant financial and governance matters. The Committee will advise the CCs and the PCCs according to good governance principles and the adoption of appropriate risk management arrangements.

The Independent Audit Committee will take account of the principles of Corporate Social Responsibility (CSR) which includes financial and economic stewardship (including Value for Money); people and communities (including Diversity, Equality and Human Rights) environmental sustainability and health & safety. All members will follow the College of Policing Code of Ethics.

Members of the Independent Audit Committee who attend other meetings or events on behalf of the Committee will provide a written report to the Committee membership.

DATA SECURITY

Members must be aware of their responsibilities to always comply with the requirements of the General Data Protection Regulations (GDPR) and the Data Protection Act 2018.

All restricted printed papers must be returned to the OPCC or Force for secure disposal.

Force provided computer/technical equipment must be used in accordance with the Force-wide Computer User Security Operating Procedures.

Members are responsible for the physical security of all computer and technical resources. Computers with remote access to the Force network must not be used to connect to any other service or system.

Electronic transcripts of formal meetings of the Independent Audit Committee may be taken by the meeting administrator and will be deleted immediately after the draft minutes have been produced and agreed with the Chair..

PROCEDURE

The Independent Audit Committee may seek any or all of those who normally attend, but who are not Members, to withdraw to facilitate open and frank discussion of matters.

The Independent Audit Committee may ask any other officials of the Force or OPCC to attend meetings to assist with its discussion on any issue.

The Chair may ask any Committee participant or observer to leave a meeting at any time during proceedings to facilitate the effective function of the Committee.

REMUNERATION

Committee members will be remunerated according to their role and responsibilities. The annual fee will be paid in twelve (12) equal payments:

Chair - £6,000

Vice Chair - £3,500

Member - £2,500

These rates are effective from 1 April 2022 and will be reviewed every 3 years. (2025)

REIMBURSEMENT OF TRAVEL AND CARERS COSTS

As a matter of course, the most practical, economic and sustainable method of travel should be used and opportunities to share transport used if available and it is safe to do so. Where a private car, motorcycle or bicycle is used, reimbursement will be at the relevant HM Revenue and Customs approved rate (the car mileage rate is currently 45p per mile up to 10,000 miles), up to a maximum claim for travel of £120 per meeting.

A carers allowance will be paid to the value of 110% of the minimum wage.

INDUCTION, TRAINING AND DEVELOPMENT

The Treasurers and Chief Finance Officers, in conjunction with the Chief Executives will devise an appropriate training and induction programme for all Independent Audit Committee members, including provision for refresher and specialist training as required. In determining induction and training requirements for individual Committee members, consideration will be given to legislative requirements and any needs identified by a training needs assessment upon appointment, during the annual appraisal process, or the annual review of the Independent Audit Committee's effectiveness.

Members of the Independent Audit Committee will also contribute to the development of the Committee in conducting its role.

Personal training and development plans are considered separately.

BUDGET

An appropriate budget will be set by the four corporations sole to cover the Committee's reasonable costs, including – training, travel, carers allowance and exceptionally, accommodation.

This will be reviewed each year as part of the budget setting cycle and should be reviewed in line with the ongoing workload of the Committee.

PUBLIC ACCESS

Independent Audit Committee meetings are open to the public and press, who may attend as observers only, for the open part of the agenda.

Public access to virtual meetings will be managed in the same way as physical meetings but within the controls of the virtual meeting system.

The taking of photographs or recording of proceedings is not permitted without the express written consent of the Chair in advance of the meeting.

Where issues are deemed restricted, commercially sensitive or relate to a member of staff, members of the public or press will not be allowed to observe.

The Chair has the right to refuse or suspend access to the proceedings of the committee if there is a security risk to the public, or caused by the public, or if the behaviour of a member of the public is disruptive, rude, aggressive, threatening, violent, illegal or otherwise considered by the Chair to be inappropriate.

Members of the public or press are not eligible to claim expenses for attending.

The public may contact the Chair of the Independent Audit Committee by writing/emailing to the Chair at the OPCC address. The public will not be allowed direct contact to members of the Independent Audit Committee and their personal contact details will remain confidential.

REPORTING

The Chair of the Independent Audit Committee will bring to the attention of the CCs and PCCs matters of significance after each formal meeting of the Committee.

The Independent Audit Committee will produce an annual report of their work for the CCs and PCCs which will include the outcome of the annual review of the effectiveness of the Committee.

PUBLICATION OF INFORMATION

The agenda, open reports and open minutes of the Independent Audit Committee will be available on both PCC and Force websites.

REVIEW

The operating principles will be subject to annual review by the Head of Audit, Insurance and Strategic Risk Management in conjunction with the Chair of the Independent Audit Committee and approved by the Chief Constables and Police and Crime Commissioners.

Date of next review: September 2024

WORKING
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COMMISSIONERAGENDA NO: **15****INDEPENDENT AUDIT COMMITTEE****DATE OF MEETING: 25 SEPTEMBER 2023****FOIA OPEN****TITLE OF REPORT: ANNUAL ASSURANCE MAP****REPORT BY: Jo George – Senior Audit Manager****PURPOSE OF THE REPORT:**

To present an update and provide assurance on one or more of the following areas:

Governance, Risk and Control	X
Internal Audit	X
External Audit	
Financial reporting	
Other matter <i>(please specify here)</i>	
Appendices <i>(please specify the number)</i>	3

RECOMMENDATIONS:

The Independent Audit Committee is asked to:

Review the Report	
Consider the Report	X
Note the report	
Other <i>(please specify here)</i>	

1. BACKGROUND INFORMATION

- 1.1 Assurance Mapping is set out as a requirement of the PSIAS (Public Sector Internal Audit Regulations).
- 1.2 The terms of reference for the Independent Audit Committee (IAC) give specific responsibility to consider the wider governance and assurance framework and consider reports on its adequacy to address the risk and priorities of the PCCs and Chief Constables.

- 1.3 Assurance mapping is a collection of assurances against specific risks in a visual chart or table that draws assurances together in one map to show the different areas where assurance is received. The map can be used as a tool for governance arrangements, supporting the audit committee, executive and management to take an objective view of the organisations risks and from where it receives assurance on those risks or has gaps in its assurance framework. This should lead to better management of those risks.
- 1.4 On finalisation of each assurance map against a specific risk, recommendations are agreed and allocated an action owner. Internal Audit then work with the service area to support them to complete the recommendations made.

2. ASSURANCE MAPPING

- 2.1 The assurance mapping work has focused on reviewing strategic organisational risks. Each map is a moment in time where all the assurances available for any given risk are reviewed to form a view on how well they integrate with each other and to identify if there are any obvious gaps in their management.
- 2.2 Our approach has identified key controls on strategic risks which the forces rely on to ensure integrity and effectiveness. The summary assurance map is underpinned by individual operational assurance maps for each of the key services noted. The operational maps have been populated with details of how and where the business operational controls are working (First Line), assurance oversight, management, and compliance reporting (Second Line) and any independent challenge and audit/regulator reviews available (Third line).
- 2.3 In summary the scoring methodology is based on:
 - Red - Something is missing that requires action.
 - Amber - An area needs to be developed slightly to improve the effectiveness and integrity.
 - Green - No action required.
- 2.4 Copies of the detailed assurance maps which sit behind each of the areas highlighted within Appendix A for D&C and Appendix B for Dorset, are filed in the Independent Audit Committee Drive, under Assurance Maps for Committee Members information.
- 2.5 The map to date has focused on strategic organisational risks, and it is envisaged that the Strategic Risks contained within this annual assurance map will be revisited over time as it is ultimately a snapshot in time.
- 2.6 During the 2022/23-year Internal Audit prepared a Fraud Assurance Map which identifying fraud risks within each department across the two forces. The focus

was to ensure we have adequate lines of defence for any potential frauds against the two forces.

- 2.7 This assurance mapping work will support the internal fraud strategy, which was a recommendation from a previous meeting of IAC, as well as recommendations arising from the SWAP report on Regional Forces Baseline Assessment of Fraud.
- 2.8 In addition to this, a detailed map of operational reviews/assurances against the Force Management Statements has been prepared. This will give IAC members assurance that FMS areas not covered by the internal audit plan are being covered by the Dorset Make the Difference Team and the D&C Review and Inspection Team. This information is stored within the Audit Committee "M" drive for members information.
- 2.9 Discussions are currently taking place with SWAP to see if we can enhance the force assurance mapping picture, to include operational and external reviews. We are exploring the use of the Internal Audit Dashboard within SWAP's software system. Our aim is to produce an overall higher level assurance map for each force, without utilising significant resource to maintain it.

3. ROLE OF THE INDEPENDENT AUDIT COMMITTEE

- 3.1 IAC require assurance from various sources to satisfy their role. A wider assurance map of key sources of assurance for this committee to enable it to fulfil its terms of reference has been updated and is attached as Appendix C.

4. MOVING FORWARD

- 4.1 We are currently working on a Governance Assurance Map for Force Collaborations which is identifying Section 22 collaborations. The focus is to ensure we have adequate corporate governance lines of defence in the two forces for these partnerships.

3 September 2023

Working Together –Devon & Cornwall Police – Assurance Mapping 2022/2023

Devon & Cornwall Assurance Map 2022/23

	Substantial assurance from most recent independent report/audit/assurance activity
	Reasonable assurance from most recent independent report/audit/assurance activity
	Limited assurance from most recent independent report/audit/assurance activity

			LINES OF DEFENCE				Tag						
	RISK	IMPACT	LINE 1 Operational/Tactical	LINE 2 Corporate Oversight/Strategic	LINE 3 Assurance Providers		Reputation	H&S	Finance	IT	Info Security	Training	
A	Environment & Sustainability – April 2023												
	Environmental Sustainability Policy & Strategy	G	G	G	G		X		X				
	Environmental Sustainability Governance	G	G	G	G		X		X				
	Carbon Footprint – Measurement of Performance	A	G	G	A		X		X				
	Environmental and Sustainable Procurement	A	A	A	A		X		X				
	Financial & Valuation Risk	R	R	R	R		X		X				
	Value for Money Risk	A	A	A	A		X		X				
	Sustainability Awareness & Training	A	A	G	A		X		X			X	
B	Health & Safety – April 2023												
	H&S Training	G	G	G	G			X				X	
	H&S Governance	A	A	G	G		X	X					
	H&S Awareness	G	G	G	G			X				X	
	Inspection Regime of Buildings	A	G	G	A		X	X					
	RIDDOR Accidents	G	G	G	G			X					
	Fire Risk Assessments	A	G	G	G			X					
	Risk Assessments / Non-Operational	G	G	G	G			X					
	Risk Assessments / Operational	G	G	G	G			X					

Working Together –Devon & Cornwall Police – Assurance Mapping 2022/2023

			LINES OF DEFENCE				Tag					
	RISK	IMPACT	LINE 1 Operational/Tactical	LINE 2 Corporate Oversight/Strategic	LINE 3 Assurance Providers		Reputation	H&S	Finance	IT	Info Security	Training
	<i>(Dynamic / Generic and Specific)</i>											
	COSHH	G	G	G	G			X				
C	Internal Fraud – December 2022											
	Finance (Alliance Function)											
	Accounts Payable & Accounts Receivable	A	A	A	A		X		X		X	
	Payroll	A	A	A	A		X		X		X	
	Treasury Management	A	A	A	A		X		X		X	
	Main Accounting	A	A	A	A		X		X			
	Fleet Services (Alliance Function)											
	Fleet Services	A	A	A	A		X		X			
	People – Human Resources (Alliance Function)											
	Human Resources	A	A	A	A		X		X		X	
	Admin Services (Alliance Function)											
	Admin Services	G	G	G	G		X		X			
	Business Change (Alliance Function)											
	Business Change	G	G	G	G		X		X			
	ICT (Alliance Function)											
	ICT	G	G	G	G		X		X	X	X	
	Procurement (Southwest PPD Function)											
	Procurement	A	A	A	A		X		X			
	Crime & Criminal Justice											
	Property Stores	A	A	A	A		X		X		X	
	Building & Estates											
	Building & Estates	A	A	A	A		X		X		X	

Working Together – Dorset Police – Assurance Mapping 2022/2023

Dorset Police Assurance Map 2022/23

	Substantial assurance from most recent independent report/audit/assurance activity
	Reasonable assurance from most recent independent report/audit/assurance activity
	Limited assurance from most recent independent report/audit/assurance activity

			LINES OF DEFENCE				Tag							
	RISK	IMPACT	LINE 1 Operational/Tactical	LINE 2 Corporate Oversight/Strategic	LINE 3 Assurance Providers		Reputation	H&S	Finance	IT	Info Security	Training		
A	Environment & Sustainability – April 2023													
	Environmental Sustainability Policy & Strategy	A	A	A	A		X		X					
	Environmental Sustainability Governance	A	A	A	A		X		X					
	Carbon Footprint – Measurement of Performance	A	A	A	A		X		X					
	Environmental and Sustainable Procurement	A	A	A	A		X		X					
	Financial & Valuation Risk	R	R	R	R		X		X					
	Decarbonisation Risk	A	A	A	A		X		X					
	Sustainability Awareness & Training	A	A	A	A		X		X			X		
B	Health & Safety – April 2023													
	H&S Training	G	G	G	G			X				X		
	H&S Governance	A	A	A	A		X	X						
	H&S Awareness	G	G	G	G			X				X		
	Inspection Regime of Buildings	A	G	G	A		X	X						
	RIDDOR Accidents	G	G	G	G			X						
	Fire Risk Assessments	A	G	G	G			X						
	Risk Assessments / Non-Operational	G	G	G	G			X						
	Risk Assessments / Operational	G	G	G	G			X						

Working Together – Dorset Police – Assurance Mapping 2022/2023

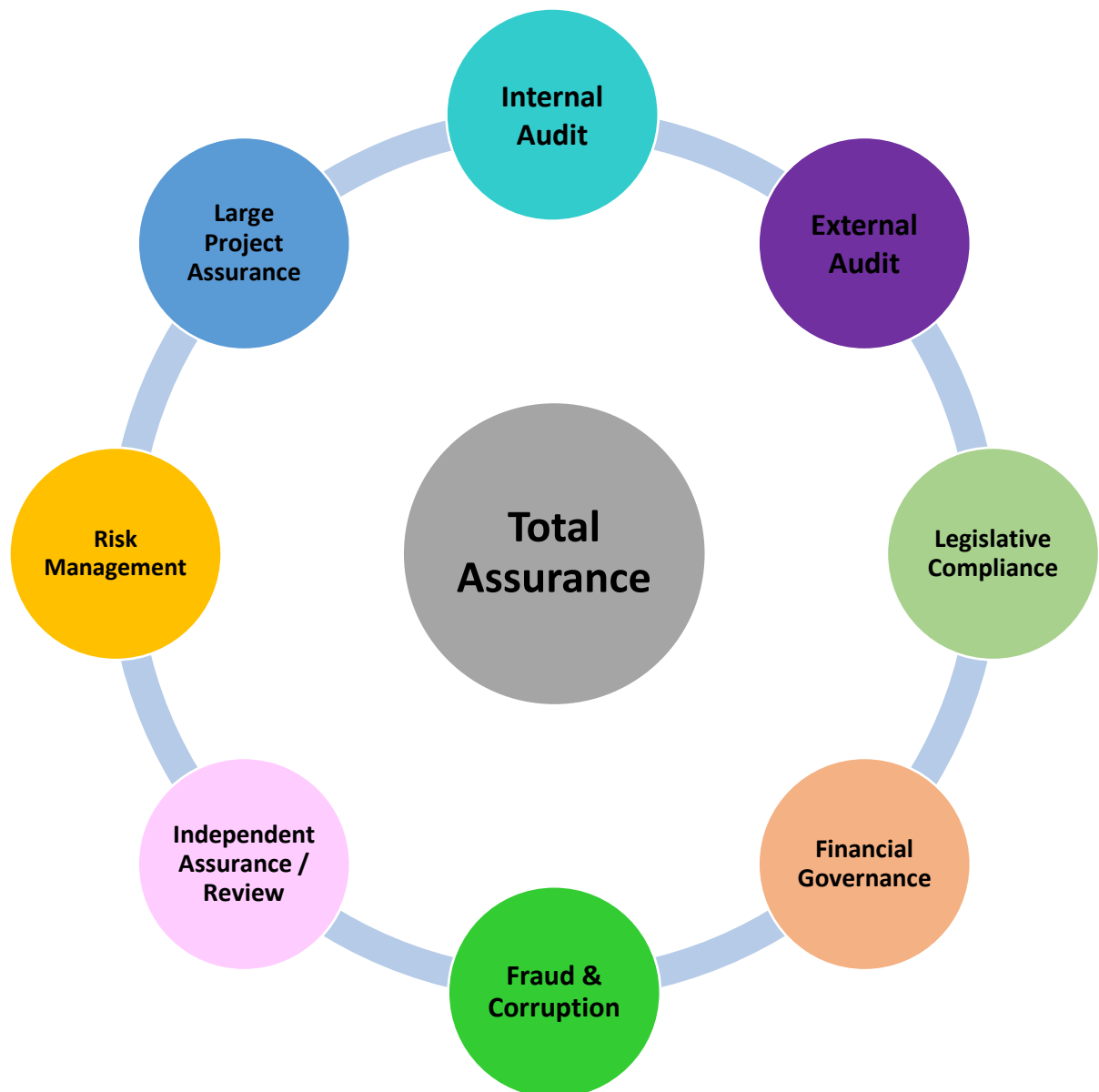
			LINES OF DEFENCE				Tag					
	RISK	IMPACT	LINE 1 Operational/Tactical	LINE 2 Corporate Oversight/Strategic	LINE 3 Assurance Providers		Reputation	H&S	Finance	IT	Info Security	Training
	<i>(Dynamic / Generic and Specific)</i>											
	COSHH	G	G	G	G			X				
C	Internal Fraud – December 2022											
	Finance (Alliance Function)											
	Accounts Payable & Accounts Receivable	A	A	A	A		X		X		X	
	Payroll	A	A	A	A		X		X		X	
	Treasury Management	A	A	A	A		X		X		X	
	Main Accounting	A	A	A	A		X		X			
	Fleet Services (Alliance Function)											
	Fleet Services	A	A	A	A		X		X			
	People – Human Resources (Alliance Function)											
	Human Resources	A	A	A	A		X		X		X	
	Admin Services (Alliance Function)											
	Admin Services	G	G	G	G		X		X			
	Business Change (Alliance Function)											
	Business Change	G	G	G	G		X		X			
	ICT (Alliance Function)											
	ICT	G	G	G	G		X		X	X	X	
	Procurement (Southwest PPD Function)											
	Procurement	A	A	A	A		X		X			
	Crime & Criminal Justice											
	Property Stores	A	A	A	A		X		X		X	
	Building & Estates											
	Building & Estates	A	A	A	A		X		X		X	

APPENDIX C

OVERALL ASSURANCE MAP FOR INDEPENDENT AUDIT COMMITTEE

The assurance activities provided or carried out throughout both forces are presented within the total assurance framework. The audit committee should be aware of the total assurance picture. However, the audit committee does not have to deal with all the topics and parts of an assurance picture, but it should know that the organisation has assurance over all these aspects.

The diagram below shows the types of assurance activities that contribute towards a total assurance framework.



The Total Assurance diagram above, is linked to the Terms of Reference and Committee Forward Plan for the Independent Audit Committee, so the colour coding shows how the supporting documents that the audit committee receive are linked to the Total Assurance Map.

APPENDIX C

OVERALL ASSURANCE MAP FOR INDEPENDENT AUDIT COMMITTEE

LEGISLATIVE COMPLIANCE
Annual Governance Statement (Annually)
Statement of Corporate Governance (Every 2 years)
Scheme of Governance (Every 2 years or after PCC appointment)

RISK MANAGEMENT
Risk management framework including policy and procedures (Bi-Annual)
Oversight of strategic risks (Bi-Annual)
Receiving assurance statements on risk mitigation activity (Bi-Annual)
Copies of risk registers stored on the IAC Drives

EXTERNAL AUDIT
Quarterly progress reports (Quarterly)
Reviewing the plan of work (Annually)
Report to those charged with governance (Annually)
Receipt of reports and updates by external audit (Quarterly)

INTERNAL AUDIT
Internal Audit Charter (Annually)
Considering the Annual Audit Plan (B-Annually)
Receiving quarterly updates of progress against the plan (Quarterly)
Annual Audit Opinion Statement (Annually)
Copies of audit reports stored on the IAC Drives
Summary reports and with actions (Quarterly)
Report on High ranked audit recommendations that have not been completed in agreed timescales (Bi-Annually)
Assurance Map (Annually) – Detailed maps stored on the IAC Drives

FRAUD & CORRUPTION
Reviewing the counter-fraud and corruption strategy (Every 2 years)
Reviewing the 'whistleblowing' policy (Every 2 years)
Report on Fraud & Corruption Investigations (Bi-Annually)
Reviewing the gifts and hospitality policy and declarations (Every 2 years)
National Fraud Initiative outcomes (Every 2 years)
Ethics Arrangements (Annually)

OTHER INDEPENDENT AUDIT / REVIEW
HMICFRS Value for Money reports (Annually)
VFM comparisons with other forces (Annually)
Committee's annual report to Chief Constables and PCC's (Annually)

APPENDIX C

OVERALL ASSURANCE MAP FOR INDEPENDENT AUDIT COMMITTEE

FINANCIAL GOVERNANCE
Budget planning process (Annually)
Medium Term Financial Plan (Annually)
Financial Regulations (Every 2 years)
Standing Orders on Contracts (Every 2 years)
Summary of the Code of Governance (Every 2 years)
Reserve Strategy (Annually)
Treasury Management Strategy (Annually)
Capital Strategy (Annually)
Insurance programme, insurance broker appointments, insurance renewal process and arrangements for risk financing (Annually)
Consider the annual summary of the number of liabilities claims against the forces (Annually)
Board and Meeting structure (Annually)
Annual Statements of Accounts (Annually)
Going Concern Reports (Annually)
Review of relevant accounting policies (Annually)
LARGE PROJECT ASSURANCE
Relevant governing documents for those partnerships or collaborations (At inception, or after any change)