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PCC
Office of the Police
and Crime Commissioner
Devon and Cornwall



DORSET
POLICE & CRIME
COMMISSIONER

Independent Audit Committee

Meeting: Wednesday, 5th April, 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 of their decisions.
- 3. Minutes [FOIA – Open] (Pages 1 - 8)**
To confirm the minutes from the previous Independent Audit Committee.
To be presented by the Chair.
- 4. Action Log [FOIA – Open] (Pages 9 - 14)**
To review the action log and receive updates for ongoing actions.
- 5. Significant Committee Business [FOIA – Open]**
To be presented by the Chair.
- 6. Internal Audit Plan and Charter [FOIA - Open] (Pages 15 - 28)**
To be presented by Charlotte Wilson – SWAP.
- 7. Internal Audit Quarterly Report [FOIA - Open] (Pages 29 - 34)**
To be presented by Charlotte Wilson – SWAP
- 8. External Audit Joint Annual Audit Findings - Dorset 2021/22 [FOIA - Open]**
To be presented by Alex Walling/Becky Greaves.
- 9. External Audit Quarterly Report [FOIA - Open] (Pages 35 - 54)**
To be presented by Alex Walling/Becky Greaves.
- 10. External Audit Scale Fees [FOIA - Open] (Pages 55 - 58)**
To be presented by Jo George.
- 11. Statement of Accounts Preparation [FOIA - Open] (Pages 59 - 62)**
To be presented by Lucinda Hines.
- 12. Risk Update - Devon and Cornwall [FOIA - Open] (Pages 63 - 68)**

To be presented by Mike Stamp/Phil Rigg.

13. Risk Update - Dorset [FOIA - Open] (Pages 69 - 72)

To be presented by Sam de Reya/Teri Roberts.

14. Draft Annual Governance Statement - Devon and Cornwall (Joint) [FOIA - Open] (Pages 73 - 90)

To be presented by Jo George.

15. Draft Annual Governance Statement - OPCC Dorset [FOIA - Open] (Pages 91 - 108)

To be presented by Jo George.

16. Draft Annual Governance Statement - Dorset [FOIA - Open] (Pages 109 - 126)

To be presented by Jo George.

17. Terms of Reference - Independent Audit Committee [FOIA - Open] (Pages 127 - 134)

To be presented by Jo George.

18. Ethics Arrangements [FOIA - Open]

a) Dorset

b) Devon and Cornwall

A verbal update on arrangements presented by Sam de Reya (Dorset) and Mike Stamp (D&C).

19. Verbal Update by Chief Constable/PCC (Open Invitation) - Devon & Cornwall

To be presented by the PCC/Chief Constable

20. Verbal Update by Chief Constable/PCC (Open Invitation) - Dorset

To be presented by the PCC/Chief Constable

21. Feedback to Corporations Sole [FOIA - Open]

To be presented by the Chair.

Attendance

Tom Grainger
Gordon Mattocks
Phil Rook
Rachael Tiffen
Nicola Allen
Julie Strange
Sandy Goscomb
Neal Butterworth
Lucinda Hines
Becky Greaves
Alison Hernandez

Mike Stamp
Phil Rigg
Sam De Reya

Chair
Committee Member
Committee Member
Committee Member
Treasurer (OPCC D&C)
Treasurer (OPCC Dorset)
Director of Finance and Resources (D&C)
Chief Finance Officer (Dorset)
Head of Technical Accounting (Alliance)
Grant Thornton
Police and Crime Commissioner (Devon and Cornwall)
Director of Legal Reputation and Risk
Planning & Performance Manager (D&C)
Deputy Chief Constable (Dorset)

Not Protectively Marked
FOIA – Open

Jo George
Alex Walling
David Hill
Charlotte Wilson

Simon Bullock
Amanda Pearson
Roberts Teri
Danny Tamblyn

Senior Audit Manager
Director (Grant Thornton)
Chief Executive South West Audit Partnership
Assistant Director South West Audit
Partnership
Chief Executive (OPCC Dorset)
Dorset Chief Constable
Risk Manager (Dorset)
Dorset Force Ethics Lead

Apologies

David Bowles
Karen James

David Sidwick
Will Kerr OBE

Committee Member
Head of Alliance Audit, Insurance and Strategic
Risk Management
Police and Crime Commissioner Dorset
Devon & Cornwall Chief Constable

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:

1. Eliminate unlawful discrimination, harassment, victimisation and any other prohibited conduct prohibited by the Act; and
2. Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
3. 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.

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**DORSET
POLICE**



**DORSET
POLICE & CRIME
COMMISSIONER**

Independent Audit Committee

Tuesday 13th December 2022 at 09:30

Via Microsoft Teams

MINUTES

Attendance

Tom Grainger
Phil Rook
David Bowles
Rachael Tiffen
Gordon Mattocks
Sandy Goscomb
Neal Butterworth

Nicola Allen
Julie Strange
Lucinda Hines
Karen James

Alex Walling
David Hill

Charlotte Wilson

Frances Hughes

David Sidwick
James Colwell

Chair
Vice Chair
Committee Member
Committee Member
Committee Member
Director of Finance and Resources
Head of Finance (Devon and Cornwall and Dorset Police)
Treasurer (OPCC Devon and Cornwall)
Treasurer (OPCC Dorset)
Head of Technical Accounting (Alliance)
Head of Alliance Audit, Insurance and Strategic Risk Management
Director (Grant Thornton)
Chief Executive South West Audit Partnership
Assistant Director South West Audit Partnership
Chief Executive (OPCC Devon and Cornwall)
Police and Crime Commissioner (Dorset)
T/Chief Constable (Devon and Cornwall)

Apologies

Alison Hernandez

Simon Bullock
Scott Chilton
Tim Newman
Mark Bartlett

Police and Crime Commissioner (Devon and Cornwall)
Chief Executive (OPCC Dorset)
Chief Constable (Dorset)
Chief Finance Officer Dorset
Audit Manager (Grant Thornton)

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Alison Hernandez

Police and Crime Commissioner (Devon and Cornwall)

Scott Chilton

Chief Constable (Dorset)

Jo George

Senior Audit Manager

04/22/01 Apologies for absence

As recorded above.

04/22/02 Declarations of Interest, Equality and Health and Safety Obligations

TG asked for any new declarations of interest. RT declared a professional relationship with SWAP in her day job with CIFAS.

04/22/03 Minute Items [FOIA – Open]

No issues raised.

04/22/04 Action Log [FOIA – Open]

The action log was reviewed, and updates were received for ongoing actions.

04/22/05 Significant Committee Business [FOIA – Open]

The Chair gave notice IAC will be reconsidering the Terms of Reference at the next meeting following publication of revised CIPFA guidance for Audit Committees. IAC met informally last month and agreed the concept of each member leading on a topic area, to make better use of Committee member experience. IAC members are experiencing ongoing issues with provided laptops which need to be resolved

04/22/06 Devon and Cornwall Capital, Treasury Management and Reserves Strategies [FOIA - Open]

04/22/07 Dorset Capital, Treasury Management and Reserves Strategies [FOIA - Open]

NA/JS presented the above reports for DCP and DP and asked IAC to consider these strategies prior to approval by the relevant PCCs. It was agreed to cover items 6 and 7 jointly.

NA presented the covering report and clarified the Bank of England rates and confirmed DCP is in a healthy financial position for investment and does not need to borrow. JS stated the mid-year report for Dorset is similar. Dorset did not do any borrowing in quarter 2 but in November and December two long terms loans have been taken in relation to the building of a new HQ, which has now started. JS pointed

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out that all the figures in these strategies are in draft and need to be reviewed once the budget is agreed before being published in February.

NA provided a detailed explanation of the Liquidity Benchmark and how the charts are used to help with the level of borrowing and liquidity, and to provide a level of reassurance that borrowing is no more than that which is required to balance risk.

GM asked whether there was anything that may enhance capital strategy risks. NA suggested a change to the Prudential Code may affect borrowing to commercially invest, however DCP does not invest commercially. DCP does have two investment properties that were formerly police stations and will look to see if these can be disposed of in the future. JS stated the situation is similar in Dorset.

PR asked how robust the forecasting is on capital. NA suggested an allowance for an expected 25% slippage in the cashflow forecast. There are problems getting cars and supplies for construction and this is outside of officers' control, as much of this is due to the war in Ukraine. DCP has focussed on slippage this year, and the issue has been probed at the Capital Strategy Group which NA and SG jointly chair. Slippage had remained at 35-40%. It is believed slippage for this year will be 20-25% and this has been included in the cashflow calculation. SG expanded on the difficulties in accessing cars and emphasised that governance of all major capital expenditure is reported to NA and SG.

IAC raised the proportion of financing costs as this indicator is showing large increases over the 6-year period and asked if this upward trend is likely to continue beyond 2027 and how this indicator is considered in the decision-making process when setting the capital programme. NA explained cost is going up. DCP is actively looking to revenue to support short term assets and will decide at the time if borrowing is required. JS stated Dorset still need to borrow due to the HQ build but this is at a lower rate and will hopefully reduce when they start to repay. DCP looked at business critical capital strategy items; for example, extensive condition surveys have been carried out on all estates but have not yet been reviewed. The Government is setting targets for carbon emission, so DCP is having to build that in.

NA advised there are no significant changes for the reserve strategy from last year, and it is still maintaining a reasonable level. There is an increase in reserves as DCP now have a partnership Vision Zero South West (VZSW), which is ring fenced. IAC asked why the budget management fund is separate from general reserves. NA explained this is used for carry forwards for monitoring purposes. Due to the Corporate Spending Review some smoothing was needed across the MTFS to ensure a four-year balanced stable and robust element for inflation. SG added it is policy to use those balances and reduce the balance at end of each year. Reserves may be required for HMIC to support a move out of the engagement phase as quickly as possible. Action plans are in place for this, and some finance will be needed, but this has not yet been formalised. A suggestion that consideration is given to renaming the budget management fund would be considered by officers.

The comprehensive set of papers were noted by the Committee.

04/22/08 Internal Audit Quarterly Report [FOIA - Open]

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DH introduced Charlotte Wilson (CW) as the new audit manager for Devon & Cornwall and Dorset Police. CW will also be supporting other Police Forces in the Region. DH is content with progress against the audit plan and all actions have been agreed. DH explained Solar Winds is a network management and monitoring tool. It is in use at DCP, and Dorset and it is also used across the Public Sector. The limitations are that it needs to be configured correctly. TG asked if there was any feed-back on the review. DH advised that in depth testing was not part of scope, but the report will be looked at for any learnings. GM suggested the relevant audits uploaded onto the shared drive are also listed in the internal audit covering report, for clarity. DH advised a new audit management system is being introduced on 1 January 2023 and suggested this could be demonstrated to IAC.

Action: DH/CW to list relevant audits for IAC in the covering SWAP report.

Action: GM CW and JG to meet before next IAC to discuss the optimum way of presenting SWAP audits for IAC members.

GM asked whether the underspend of grants from the Ministry of Justice (MoJ) could have been used locally to help more people rather than being returned. JS stated grants are not returned unless necessary. The grants received for a specific purpose had a requirement for the underspend to be returned. NA added that during the pandemic DCP received money from the MoJ and Home Office to support the impact and DCP has had to return the underspend to comply with condition of grant agreements, as the money was received too late for it to be used within the specified period.

04/22/09 External Audit Quarterly Report [FOIA - Open]

AW advised there has been little progress over the last quarter as MB has been on leave. MB has also handed in his notice to leave mid-January and GT has had to reflect on how to staff the team going forward.

The 2021/22 audit for DCP is complete. The 2021/22 audit for Dorset is ongoing. MB is looking at the pension fund assurance letter that arrived this week and GT has raised questions over an error with funds on the statement, however this is not material to the accounts. JS confirmed Dorset will be recorded as an unadjusted misstatement and this will be reflected in 2022/23 accounts when done.

AW advised the auditor's annual report cannot be finalised until an account's opinion is given. MB is currently working through the outstanding areas of the Value for Money assessment, and it is hoped the report will be finalised soon. In summary the overall report is positive with no significant weaknesses and just one recommendation.

AW appreciated the Value for Money (VfM) report is out of date and explained this would be for the National Audit Office to decide on any change.

AW advised the completion of the Dorset 2021/22 audit will be on hold until a replacement for MB has been appointed.

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JS raised that as there are two years accounts for 2021/22 and 2022/23 that it to be presumed that Dorset will not be criticised for not implementing any additional recommendations that have not yet been received. JS was assured they would not be criticised.

SG raised the auditing crisis and proposed the only way forward, as well as resolving recruitment issues, is to simplify the audits.

NA attended a Directors of Finance (DoFs)/Police and Crime Commissioners Treasurers' Society (PACCTs) Better Governance forum. In her role as President of PACCTs she presented and emphasised the need for simplified accounts. The Members made their thoughts known and raised the challenges being faced to the PSAA. Neil Harris spoke as Director of Local Audits and members presented ideas around evaluations and the impact on balance sheets, simplifying VfM and for the public inspection regime to come more in line with the FOI regime.

TG stated he too would make representation on behalf of IAC to the Director of Audit, about simplification and relevance of the audit process.

Action: NA to send to TG a copy of her representation from the PACCTS meeting.

04/22/10 Budget Preparation Update [FOIA - Open]

NB gave a verbal update on the 2022/23 budget, MTFs and the process moving forward for potential efficiencies and budget savings. He emphasised significant increases in utilities, contracts, interest rates and pay awards, also the turnover for officers and staff. NB advised the Settlement is expected before Christmas and that budget requirements have been calculated. This will be compared when grant and budget funding has been finalised and the aim is to complete for the Police and Crime Panels, DCP on 27 January 2023 and Dorset 2 February 2023. NA clarified that the papers for the Police and Crime Panel will be sent to the Committee on the day they are published, as due to the timescales involved the papers will not be available until that point.

DB asked if there were any areas that were very difficult to forecast. NB said inflation and interest rates and turnover, particularly officer turnover as it is unpredictable. SG also raised pension contributions for police officers, not for this year but next year. SG reassured IAC that DCP is meeting targets for the Police uplift.

Action: NB to arrange to share the PCP budget reports with committee members when they are available.

04/22/11 Fraud and Corruption Investigations (inc. NFI) [FOIA - Closed S.22]

KJ advised the Protective Disclosure Policy, and the Notifiable Associations Policy will be reviewed by the 31 March 2023. IAC stated the politically restricted posts policy is of concern because of the long delay in completing the review. KJ advised the policies are being debated with PSD an HR, and work is ongoing to resolve.

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Action: KJ to follow up for more precise view on timetable and timescales for outstanding policies.

04/22/12 Audit Action Report Devon and Cornwall/Dorset [FOIA – Open]

KJ confirmed the report covers the period from the 1 April 2022 to 28 November 2022. IAC raised the outstanding priority one reviews, as they remain a concern, and asked what actions being taken by management to manage risks in the interim period before implementation of the recommended changes. KJ explained actions are being closely managed by the Tech Board who are overseeing the introduction of Niche and voyager projects

04/22/13 PSAA Auditor Appointment Process [FOIA – Open]

KJ confirmed the auditors for DCP, and Dorset will be Grant Thornton going forward. SG commented that the process has worked well for us as some of those who did not go through the PSAA process have been left without auditors. However, the market has not got any bigger and is not bringing in new people. Hence, although DCP and Dorset were right to go with PSAA it has not solved the issues experienced to date but has highlighted the crisis. In addition, there was a moment when the PSAA informed DCP and Dorset that they would be allocated different auditors. This would not have been possible, and the matter has since been resolved. Final appointments will be confirmed by the PSA on or before the 31 December 2022.

04/22/14 Verbal Update by Chief Constable/PCC Devon and Cornwall [FOIA – Open]

JC updated on the HMICFRS inspection and explained how it works. He advised the HMIC have a full-time lead embedded as inspectorate in governance, performance and operational decision making. Following a scanning stage where HMICFRS identify issues, the overarching PEEL set a framework of 12 questions, and it is this that holds the force to account. The PEEL met in January then carried out an inspection. The draft report was issued in November and the final report will be issued in January 2023, which will include a grading from outstanding to inadequate. Special measures have been introduced and the Force are now in the engagement phase. JC met with HMICFRS on 14 October and the result of the inspection was announced shortly afterwards on the same day. JC apologised that it was not possible to brief stakeholders ahead of announcement due to the inevitable consequence of timeframe.

The first area related to a performance challenge on urgent 999 calls and non-urgent 101 calls constantly failing to meet targets. There is a national target to answer 90% of 999 calls within 10 seconds.

The second area related to a failure of crime data compliance however, JC reassured IAC this does not equate to a specific failure in this area. The Force is not failing to deliver a service to victims but technically breaching accounting rules.

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The third area is the ability of the Force to effectively manage serious sexual offenders due to delays in carrying out risk assessments. Some of this relates to Covid and some to capacity.

The new records system, Niche, went live 14 November which is a significant change for frontline staff and gives greater capability to deliver more than the previous system. The Record Management System controls how crime is controlled and managed. This has been explained to HMICFRS and they are accepting of it.

Part of engagement phase means the CC/PCC are required to present to the Police Performance Oversight group, which is chaired by the Chief Inspector Andy Cook, at the Home Office. In this forum the Force provides an understanding of our improvements and a road map on how it intends to move out of this stage. JC advised there is a Gold Commander for each of the three areas and the meetings are chaired by the DCC.

FH raised concern that due to sequencing the PCC does not officially receive the final report until the day it goes public. The Police and Crime Panel hold PCC to account and hence there is an issue with governance. The PCC is concerned about the timings of when the report goes public and is pursuing this matter nationally.

JC advised a report has gone to Wendy Williams (HMICFRS) today for consideration and that the Force will put out messages that are proportionate and appropriate to seek to reassure the public.

Action: IAC to consider at the March meeting governance issues around the HMICRS inspection process.

04/22/15 Verbal Update by Chief Constable/PCC Dorset [FOIA – Open]

DS reassured IAC about the new CC recruitment process and the criteria he is seeking to ensure the continued delivery of his Police and Crime Plan and vision. Interviews are planned for early in the New Year so the appointment can go the next Police and Crime Panel meeting.

TG asked DS about the proposal for a significant increase in commissioning. DS gave an example relating to antisocial behaviour (ASB). Dorset puts out criteria for funding to address ASB in local areas. Each case would need to provide a plan and outcome to see if it would have a beneficial effect. TG asked for clarity on the proportion driven by the PCC and people coming to the PCC. JS explained the majority is covered by core funding which is longer term and makes up the significant proportion, such as victim commissioning, and the rest is smaller and more of a community focus. DS explained applications are not rejected out of hand. The OPCC often advise applicants of the need to prove the benefits to the taxpayer, and then work with them to shape their plan. PR asked about balancing the need to be able to justify to the taxpayer the 5% Precept increase. DS welcomed the rise as funding is required and emphasised the case will be made with transparency.

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03/22/16 Feedback to Corporations Sole - additional item [FOIA – Open]

This item is to be added as a permanent item to the agenda going forward. The key areas to bring to the attention of the Corporations Sole were agreed by the Committee. TG expressed his thanks to the committee and officers for their work throughout 2022

There being no other business the meeting closed at 12:44

The next full IAC meeting is scheduled for Tuesday 28th March 2023 at 09:30. It will be an in-person meeting held at Middlemoor HQ, Exeter.

DRAFT

Independent Audit Committee Decision and Action List						
Open Actions						
Action No	Minute Reference/Item Name	Date	Action Required	Owner	Due date	Remarks
271	04/22/11 Fraud and Corruption Investigations (inc. NFI)	13/12/22	KJ to follow up for more precise view on timetable and timescales for outstanding policies.	Karen James	28/03/2023	A paper has been drafted for Agenda item 4 to show the current position . Policy Management processes will also be delivered on the member training day in July 23.

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COMMISSIONERAGENDA NO: **4****INDEPENDENT AUDIT COMMITTEE****DATE OF MEETING: 5 APRIL 2023****FOIA OPEN****TITLE OF REPORT: ACTION LOG ITEM 271****REPORT BY:** Karen James, Head of Audit, Insurance and Strategic Risk Management**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	
External Audit	
Financial reporting	
Other matter (<i>please specify here</i>)	
Appendices (<i>please specify the number</i>)	

RECOMMENDATIONS:

The Independent Audit Committee is asked to:

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

1. BACKGROUND INFORMATION

- 1.1 At the meeting of the Independent Audit Committee on 13 December 2022, Members requested an update with specific dates for the completion of a number of polices that relate to fraud and corruption. This is action log number 271.

2. UPDATE

- 2.1 The policies and the current position together with expect completion date is attached for information.

Alliance Policy Title	Policy Owner	Policy Code	Expected Date for Completion	Update
Gifts and Gratuities Policy	Professional Standards	J-P002	30 June 2023	Last reviewed in June 2021. There are no changes in circumstances to the policy that would have required an automatic update.
Protective Disclosure (Whistleblowing Policy)	Professional Standards	J-P016	30 June 2023	Last reviewed in June 2021. There are no changes in circumstances to the policy that would have required an automatic update.
Notifiable Association Policy	Professional Standards	J-P010	30 June 2023	Last reviewed in June 2021. There are no changes in circumstances to the policy that would have required an automatic update.
Politically Restricted Posts Policy	People Portfolio	P01:2013 (Dorset) PSD20 (Alliance)	30 September 2023	This policy has been delayed pending the transformational work on terms and conditions of service. Review of this policy will be schedules in the work for the coming 6 months.

- 2.2 Whilst these policies are still subject to review, the previous policies remain in use.

3. **MOVING FORWARD**

- 3.1 Policy management supports good governance, risk and control and therefore is it proposed that a separate presentation is made to Members by the Policy Unit to provide an overview of how policies are produced, published and reviewed in both Forces. It is suggested that is delivered at the next Members training day.

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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 Q1-2 and Internal Audit Charter

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Agenda Item 6

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 first 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.

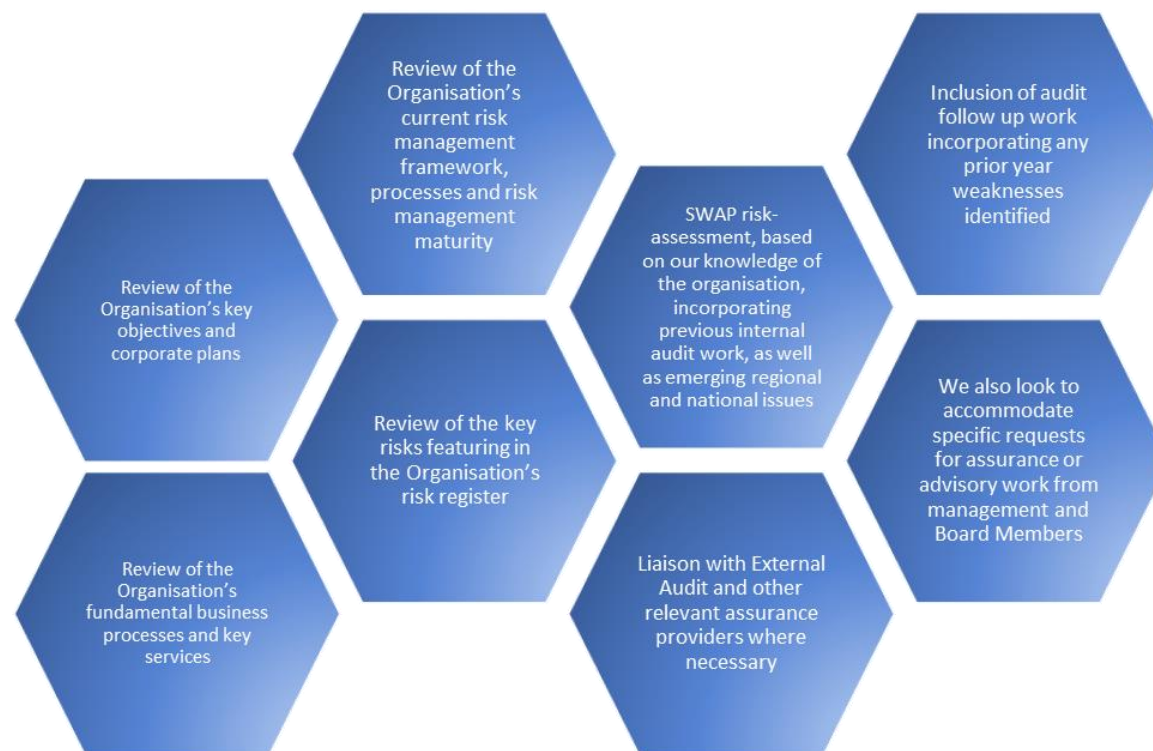


The Internal Audit Plan: Approach

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

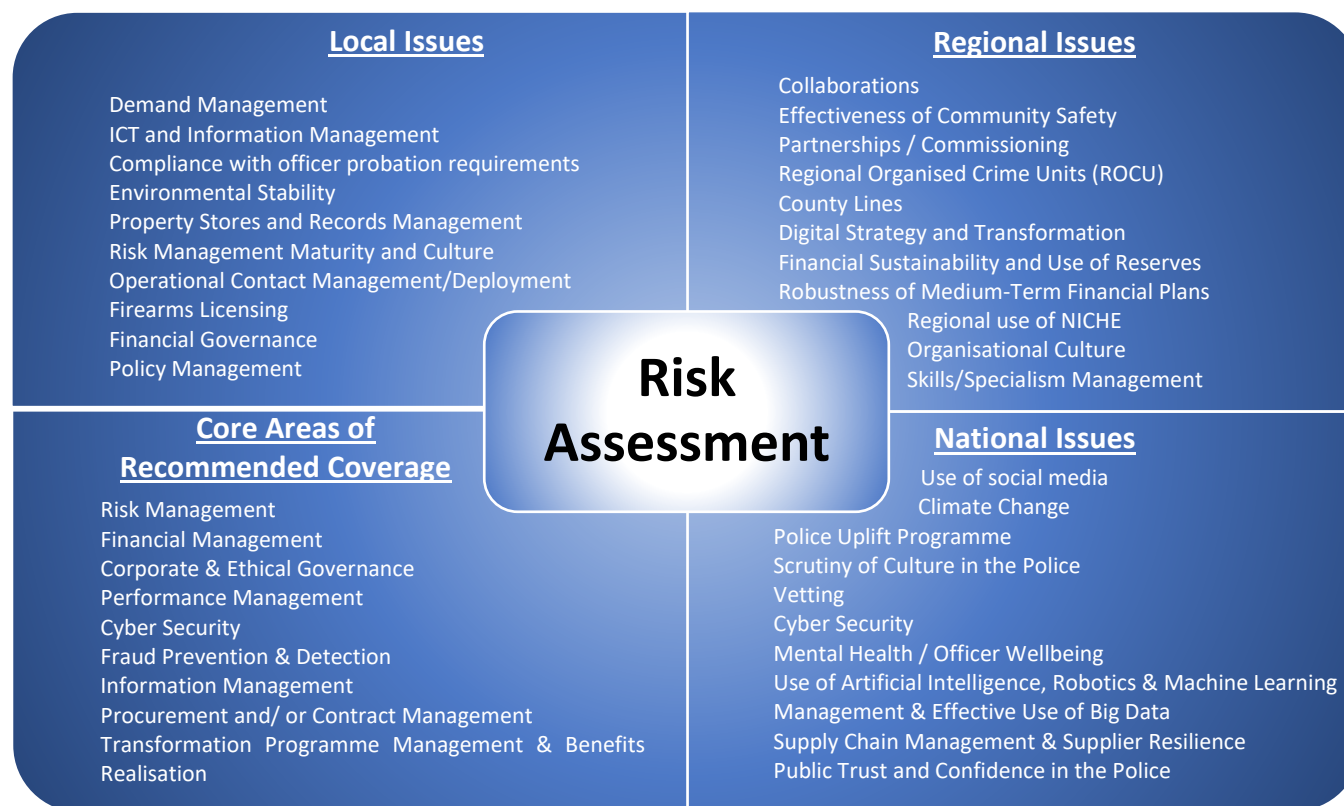
A documented risk assessment prior to developing an internal audit plan, ensures that sufficient and appropriate areas are identified for consideration.

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 the first half of 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 plan presented in Appendix 1 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/ Protecting Vulnerable People	Put Victims and Communities First/ Make Every Penny Count.	Resilient/ Connected	D&C OPCC Victim Support Contract (Follow Up) – A follow up review of the previous audit, finalised in December 2021, to ensure actions have been implemented and risks mitigated.	£1,159	Q1
Protecting Vulnerable People	Put Victims and Communities First.	Resilient/ Connected	Clinical Governance – To provide assurance over the effectiveness of the Clinical Governance for both Forces now this is no longer an alliance area. To include stock control of drugs.	£5,794	Q1
Force-wide Functions	Make Every Penny Count.	Connected	Human Resources – Amendments & Leavers and Establishment Control – Review of the internal systems to reduce the current increased risk of payroll overpayments that relate to incorrect information stored within HR or notification by line managers	£5,794	Q1
Finance/ Force-wide Functions	Make Every Penny Count.	Connected	Property Stores & Records Management – From 2022/23: A review of process and procedure for storage of goods and cash to ensure compliance with recognised standards.	£5,794	Q1
Finance/ Force-wide Functions	Make Every Penny Count.	Connected	Overtime & Shift Allowances – Full review to include compliance of legislation in relation to claims made and a large data analysis review to ensure eligibility for claims.	£5,794	Q2
Force-wide Functions	Make Every Penny Count.	Connected	Construction Industry Scheme (CIS) – Review of compliance with the legislation and ensure accurate data compliance.	£3,862	Q2
Finance	Make Every Penny Count.	Connected	Custody – Cash Handling – A review of the financial arrangements in place in Custody.	£3,862	Q2
Finance	Make Policing More Visible & Connected/ Make Every Penny Count.	Safe/Resilient/ Connected	Value for Money Review – The checklist from the new Financial Management Code by CIPFA recommends that value for money reviews are included in the Internal Audit Plan. Scope TBC could include: Driving Awareness Schemes; Force Dog Arrangements; Catering Arrangements at Force Locations; Interpreters. (Allowance sufficient for one VFM review)	£3,862	Q2
Finance/ Protecting Vulnerable People	Put Victims and Communities First/ Make Every Penny Count.	Resilient/ Connected	OPCC Ministry of Justice Victims Services Grant – Annual sign off of this grant at year end.	£5,794	Q2
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 two audits)	£11,587	Q2

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 Q1-2 proposed Audits				£53,302	
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 Q3-4 Audits				£52,917	
TOTAL estimated cost of delivery of above proposed Internal Audit Plan for 2023/24 (Inc. costs for Q3-4)				£127,426	
TOTAL agreed cost of delivery for the Internal Audit Plan for 2023/24				£127,426	

Pipeline Audits

These audits are potential areas for inclusion as part of future Internal Audit Plans

Key Financial Controls – Procurement of items that require quotes/Probity of POCA money/Alliance recharges/Inventories
 Risk Management Maturity
 Occupational Health
 Supply Chain Defence
 Fleet Link to Agresso
 DP Capital Programme/Major Projects
 Environmental Stability
 Policy Management
 Staff Retention/Resourcing/Workforce Planning/Positive Action
 Confidential Waste Disposal
 DP Banking Arrangements
 Vetting Arrangements

Purpose

The purpose of this Charter is to set out the nature, role, responsibility, status and authority of internal auditing within Dorset Police and Office of the Police and Crime Commissioner (OPCC) and Devon & Cornwall Police and OPCC, and to outline the scope of internal audit work.

Approval

This Charter is presented for approval by the Independent Audit Committee (IAC) on 5 April 2022 and is reviewed each year to confirm it remains accurate and up to date. It was last reviewed by the IAC on 7 April 2022.

Provision of Internal Audit Services

The internal audit service is provided by SWAP Internal Audit Services (SWAP). This charter should be read in conjunction with the Service Agreement, which forms part of the legal agreement between the SWAP partners.

The budget for the provision of the internal audit service is determined by Dorset Police and OPCC and Devon & Cornwall Police and OPCC, in conjunction with the Owners Meeting. The general financial provisions are laid down in the legal agreement, including the level of financial contribution by the organisation, and may only be amended by unanimous agreement of the Owners Meeting. The budget is based on an audit needs assessment that was carried out when determining the organisation's level of contribution to SWAP. This is reviewed each year by the S151 Officers at each Force and the Treasurers of the OPCCs in consultation with the Chief Executive of SWAP.

Role of Internal Audit

The Accounts and Audit (England) Regulations 2015, state that: *"A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the public sector internal auditing standards or guidance."*

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Organisation's operations. It helps the Force and OPCC accomplish their objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Responsibilities of Management, the IAC and Internal Audit

Management¹

Management is responsible for ensuring SWAP has:

- the support of management and the organisations;
- direct access and freedom to report to senior management, including the Section 151 Officers, OPCC Chief Executives and the Chair of the IAC;
- Notification of suspected or detected fraud, corruption or impropriety.

Management is responsible for maintaining internal controls, including proper accounting records and other management information suitable for running the Organisation. Management is also responsible for the appropriate and effective management of risk.

¹ In this instance Management refers to the Senior Management Team and Statutory Officers.

Independent Audit Committee (IAC)²

The IAC is responsible for approving the scope of internal audit work, receiving communications from the SWAP Assistant Director on the progress of work undertaken, reviewing the independence, objectivity, performance, professionalism and effectiveness of the Internal Audit function, and obtaining reassurance from the SWAP Assistant Director as to whether there are any limitations on scope or resources.

Internal Audit

The SWAP Assistant Director, as Head of Internal Audit, is responsible for determining the scope, except where specified by statute, of internal audit work and for recommending the action to be taken on the outcome of, or findings from, their work. Internal audit is responsible for operating under the policies established by management in line with best practice.

Internal audit is responsible for conducting its work in accordance with the mandatory elements of the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. SWAP has been independently assessed and found to be in Conformance with the Standards.

Internal audit is not responsible for any of the activities which it audits. SWAP staff will not assume responsibility for the design, installation, operation or control of any procedures. SWAP staff who have previously worked for the organisation will not be asked to review any aspects of their previous department's work until one year has passed since they left that area.

Relationship with the External Auditors/Other Regulatory Bodies

Internal Audit will co-ordinate its work with others wherever this is beneficial to the organisation.

Status of Internal Audit in the Organisation

The Chief Executive of SWAP is responsible to the SWAP Board of Directors and the Members Meeting. Appointment or removal of the Chief Executive of SWAP is the sole responsibility of the Members Meeting.

The Chief Executive for SWAP and Assistant Director also report to the Section 151 Officers, and reports to the Audit Committee as set out below.

The Assistant Director will be the first and primary point of contact for the organisation for all matters relating to the IAC, including the provision of periodic reports, as per company policy. The Assistant Director is also responsible for the design, development and delivery of audit plans, subject to the agreement of Dorset Police and OPCC and Devon & Cornwall Police and OPCC.

Scope and authority of Internal Audit work

There are no restrictions placed upon the scope of internal audit's work. SWAP staff engaged on internal audit work are entitled to receive and have access to whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of the organisations.

Internal audit work will normally include, but is not restricted to:

- reviewing the reliability and integrity of financial and operating information used for operational and strategic decision making, and the means used to identify, measure, classify and report such information;
- evaluating and appraising the risks associated with areas under review and make proposals for improving the management and communication of risks;
- appraise the effectiveness and reliability of the enterprise risk management framework and recommend improvements where necessary;
- assist management and Members to identify risks and controls with regard to the objectives of the organisations and its services;

² In this instance IAC relates to "The Board" referred to in the PSIAS

- reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether the organisations is in compliance;
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;
- appraising the economy, efficiency and effectiveness with which resources are employed;
- reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned, with performance and accountabilities established;
- reviewing the operations of the organisations in support of their anti-fraud and corruption policy, ethical expectations and corporate values, investigating where necessary;
- at the specific request of management, internal audit may provide consultancy services (including fraud investigation services) provided:
 - the internal auditor's independence is not compromised.
 - the internal audit service has the necessary skills to carry out the assignment or can obtain such skills without undue cost or delay.
 - the scope of the consultancy assignment is clearly defined, and management have made proper provision for resources the work.
 - management understand that the work being undertaken is not internal audit work.

Planning and Reporting

SWAP will submit to the IAC for approval an internal audit plan, setting out the recommended scope of their work in the period.

The plans will be developed with reference to the risks the organisations will be facing in the forthcoming period, whilst providing a balance of current and on-going risks, reviewed on a cyclical basis. The plans will be reviewed on a quarterly basis to ensure they remain adequately resourced, current and addresses new and emerging risks.

SWAP will carry out the work as agreed, report the outcome and findings, and will agree actions with the appropriate manager and Force Chief Finance Officers and OPCC Treasurers. SWAP will report at least twice a year to the IAC or as agreed. SWAP will also report a summary of their findings, including any persistent and outstanding issues, to the IAC on a regular basis.

Internal audit reports will normally be by means of a brief presentation to the relevant manager accompanied by a detailed report in writing. The detailed report will be copied to the relevant line management, who will already have been made fully aware of the detail and whose co-operation in preparing the summary report will have been sought. The detailed report will also be copied to the Force Chief Finance Officers and OPCC Treasurers and to other relevant line management.

The Assistant Director will submit an annual report to the IAC providing an overall opinion of the status of risk and internal control within Dorset Police and OPCC and Devon & Cornwall Police and OPCC, based on the internal audit work conducted during the previous year.

In addition to the reporting lines outlined above, the Chief Executive of SWAP and Assistant Directors have the unreserved right to report directly to the Chair of the Audit Committee, the OPCCs' Chief Executive Officers or the External Audit Manager.

March 2023

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WORKING
TOGETHER



DORSET
POLICE



PCC
Office of the Police
and Crime Commissioner
Devon and Cornwall



DORSET
POLICE & CRIME
COMMISSIONER



SWAP

INTERNAL AUDIT SERVICES

Helping Organisations to Succeed

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 - March 2023

Internal Audit ■ Risk ■ Special Investigations ■ Consultancy

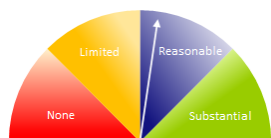
Handling instructions: for Audit Committee and senior management consideration only, to be stored securely, and not to be republished or shared without the consent of the Alliance Head of Audit, Insurance and Risk

Unrestricted

Agenda Item 7

Executive Summary

Rolling Opinion



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

Internal Audit Assurance Opinions 2022/23

	Jan-Mar	YTD
Substantial	1	2
Reasonable	2	5
Limited	3	7
No Assurance	0	0
Total	6	14

Internal Audit Agreed Actions 2022/23

	Jan-Mar	YTD
Priority 1	0	5
Priority 2	9	30
Priority 3	14	28
Total	23	63

Progress Since Previous Committee



3 Limited Assurance Opinions
0 No Assurance Opinions
9 Priority Two Actions



Limited Assurances

A limited assurance opinion has been given for the Accounts Payable, Cash Handling and Pensions reviews. All actions raised have been agreed by the Force. Please see Appendix A for further information.



Significant Risks

No significant risks are to be reported at this meeting.



Plan Progress

Good progress has been made since the previous Committee with seven reports being finalised and one at draft report stage. All quarter four 2022/23 reviews are either at draft report stage, fieldwork or scoping.



Plan Changes

The following changes have been made to the plan since the last Independent Audit Committee:

- Risk Management Maturity (Q4) – deferred by the Force (Director of Legal) to Autumn 2023;
- Secondments (Q4) – deferred by the Force (Assistant Chief Officer) to 2023/24 (timing to be agreed);
- Property Stores & Record Management (Q4) – deferred by the Force to Q1 2023/24 to accommodate stores reorganisation programme (initial meeting now booked for April 2023).



Profiled Delivery

88% of the annual audit plan is either complete, underway or being scoped, with two reviews deferred to later in 2023/24. The key financial control review is comprised of eight audits, of which six are complete. These are collated as one review for performance percentages but formed the majority of quarter three work (70 days).

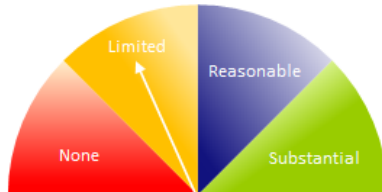




2022/23 Plan Performance YTD

Performance Measure	Performance
Completed	50%
Draft Report	13%
Fieldwork	13%
Ready to Start	0%
Scoping	12%
Deferred to 2023/24	12%

Reports Finalised This Quarter

Audit Name	Assurance
Payroll	Substantial
Financial Governance	Reasonable
Main Accounting	Reasonable
Accounts Payable	Limited
Cash Handling	Limited
Pensions	Limited
Agresso Upgrade	Advisory


Appendix A i: Summary of Limited Assurance Opinion Reviews

Audit Title	Summary of Opinion/Findings		Date by which all agreed actions are due to be implemented:
Cash/Cheque Handling		Risks Reviewed Cash/cheques received are not handled and banked effectively leading to untimely, inaccurate or absent cash receipting, resulting in reduced income/seized cash and cashflow issues.	Assessment Medium
	Key Findings		
		All cash and cheque bankings reviewed for Dorset Police headquarters, Devon & Cornwall Police (DCP) headquarters and DCP admin hubs reconciled from source data through to bank deposits. Individuals involved in the processes were experienced and knowledgeable regarding cash handling but require an aligned current policy, procedure and/or working practice to work to.	
		The Forces' cash handling policies were out of date (c.2014) and new policies and procedures were in progress at the time of our review. The Forces should ensure that all relevant elements of historical policies, legislation and correct current practices are included in final agreed versions and these are published and communicated to all key stakeholders, with training provided where required.	
		Our analysis of DCP admin hub safe monitoring records highlighted some items that had not been (recorded as) chased recently and upon querying could be banked or transferred to property stores. There were also instances where the bank did not deposit the amount anticipated (sometimes due to identification of forgeries). In addition, the value recorded in one safe had exceeded the maximum safe limit at various points in 2022; this location will need to be monitored for proactive management.	
	Safe security arrangements should continue to be reviewed to ensure compliance with internal policies and procedures and information provider to the insurers. Staff should also be supported in maintaining current and accurate records that facilitate the verification of items in the safes at any point in time. Receipting of incoming cash should also be considered for some areas of income received.		
Summary			
Key controls in relation to cash/cheque banking processes appeared to be operating effectively, however, there are some gaps in relation to current working practices being aligned, agreed and available to all relevant parties. Ten actions have been agreed by management to ensure this is addressed and that clarity is achieved in identifying, monitoring and complying with safe manufacturer/insurance/internal policy requirements and timeliness of processing contents. Auction House income tested for Dorset Police reconciled from Niche entries via Property Stores records to sale statements and BACS payments received at bank.			




Appendix A i: Summary of Limited Assurance Opinion Reviews

Audit Title	Summary of Opinion/Findings			Date by which all agreed actions are due to be implemented:
Accounts Payable		Risks Reviewed	Assessment	31 st March 2024
		Key controls are not in place leading to late, inaccurate or fraudulent payments, resulting in supplies disruption and financial loss.	Medium	
	Key Findings			
		System workflows to ensure segregation of duties and appropriate budgetary control within the purchase to pay processes for both purchase order (PO) and non-PO spend was agreed as part of our Accounts Payable (AP) audit last year. This action forms part of a wider project (Agresso ‘Get Well’) that hopes to make improvements to Agresso generally. The project is being managed by IT (not Finance) and was found to still be in its infancy. An action plan was drafted in October 2022 which includes December 2022 timescales for implementation of actions (including workflows) that have now slipped due to resourcing within IT. Currently, there are a few individuals within the Purchasing and Exchequer Team who can autonomously create a supplier, raise and receipt a purchase order and register an associated invoice for a supplier to ensure resilience within the process. Mitigating controls have been put in place including a manual weekly review of segregation of duties. However, ideally, these should be managed through system configured workflows to ensure no one individual can complete the entire purchase to pay process. Therefore, the action plan will need revisiting and revising and should also be supported by governance and monitoring arrangements to ensure implementation does not slip further. <i>The 31st March 2024 deadline reflects full implementation of this project.</i>		
		AP Forensics software is used to identify potential duplicate invoices/payments. The software runs duplicate payment reports jointly for both Forces that should be reviewed each day and prior to the approval of the AP BACS runs (which occurs twice a week). Currently, Finance will review AP Forensics reports and stop any duplicate payments found. However, this does not address the root cause of the issue. An action has been raised to review AP Forensics data in order to identify the cause of duplicate invoices being processed and to address these issues at their source. In addition, both Forces may also benefit from conducting a value for money exercise in respect to AP Forensics.		
	The Standard Operating Procedure (SOP) for processing supplier changes requires verification checks to be logged onto Agresso. Sample testing of supplier changes (including those to bank details) found this was not being completed.			

Appendix A i: Summary of Limited Assurance Opinion Reviews

Audit Title	Summary of Opinion/Findings	Date by which all agreed actions are due to be implemented:
	<div data-bbox="392 359 515 462">  </div> <p data-bbox="526 359 1814 486">Data analysis was conducted on credit card transactions across a sample of 10 cardholders over a 12-month period. Analysis highlighted some instances where spend was not strictly aligned with permitted use. However, reasonable explanations for each of these exceptions were provided. We also identified cardholders who have not used their credit cards in over 12 months and therefore, may not require one and should be closed.</p> <div data-bbox="392 502 1814 702"> <p>Summary</p> <p>Although Finance have put in place mitigating controls to manage a lack of segregation of duties within the purchase to pay process, these controls are manual, reactive and require human intervention. Automation was raised as an action within our AP audit last year. However, due to a lack of resources within the IT team, limited progress has been made to implement these within Agresso. Without automated controls to prevent one individual from completing the entire purchase to pay process, we are unable to provide a reasonable assurance opinion.</p> </div>	

Appendix A i: Summary of Limited Assurance Opinion Reviews

Audit Title	Summary of Opinion/Findings	Date by which all agreed actions are due to be implemented:	
Pension Payments & National Fraud Initiative (NFI) Pension Datasets		Risks Reviewed	Assessment
		Pension payment requests from XPS are not checked for accuracy before being made and NFI matches are not being investigated promptly leading to financial loss.	Medium
	Key Findings		
	<div data-bbox="387 646 510 742">  </div> <p>The National Fraud Initiative (NFI) is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. Matches are reported from the exercise to these bodies every two years. NFI processes were discussed and tested with XPS (the Forces pension administrator for police officer pension schemes) who are responsible for investigating matches on behalf of both Forces. Sample testing highlighted issues with the promptness of recovery action taken by XPS to pursue overpayments following the death of a member. This issue was raised as part of our regional review of pensions administration and an action was agreed as part of that work to improve reporting/transparency around overpayments. Improvements should be implemented by the end of February 2023. We also noted instances where the NFI system had not been updated to the latest information pertaining to a case. In five instances, matches were still open on the system, however, upon review, payment was found to have been recovered/received by the Force. Testing concluded that both Forces would benefit from a more thorough closedown procedure for pension related data sets which should ensure matches are investigated properly by XPS and overpayments are recovered promptly.</p> <div data-bbox="387 1029 510 1125">  </div> <p>A sample of 20 (10 per Force) pension payments made over a 12 month period were checked against agreed process. Sufficient evidence was provided to support the review and approval of payment requests made by XPS for each of the samples. In addition, we could confirm that the bank account used to make payments to pension members was regularly monitored and a sample of fund transfers into the account were supported.</p>		
	<div data-bbox="387 1189 510 1220">Summary</div> <p>A limited opinion has been provided as a result of the work to be completed to improve transparency around overpayments and recovery generally (not limited to those under the NFI). At the time of writing, we are unable to quantify the value of overpayments outstanding/to be recovered by XPS which has impacted on the opinion we are able to provide. In addition, both Forces will need to strengthen their engagement with XPS by ensuring they continue to monitor pension related data sets after an NFI exercise/dataset years have been closed.</p>		



AGENDA NO: 9

INDEPENDENT AUDIT COMMITTEE

DATE OF MEETING: 5th April 2023

FOIA OPEN

TITLE OF REPORT: External Audit Quarterly Report

REPORT BY: Alex Walling/Becky Greaves

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 of work of external audit over the last quarter and looking forward to the next quarter.

April 2023

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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

April 2023

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2022/23 Deliverables	8
Sector Update	9

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Key Grant Thornton team members



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Engagement Manager

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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, 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 Independent Audit Committee 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 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.;
- 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.



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. <ul style="list-style-type: none"> Devon & Cornwall Police Dorset Police 	September 2022 TBC	Complete TBC
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 	December 2022 TBC	Complete TBC
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 TBC	Outstanding – awaiting signed documents from management TBC
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 	March 2023 March 2023	Delayed due to capacity

2022/23 deliverables

2022/23 Deliverables	Planned Date
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.	June 2023 – Devon and Cornwall TBC* – Dorset
Interim Audit Findings We will report to you the findings from our interim audit within our Progress Report.	June 2023 – Devon and Cornwall TBC* – Dorset
Joint Audit Findings (ISA260) Report The Joint Audit Findings Report will be reported to the Independent Audit Committee.	TBC*
Auditors Reports These are the opinions on your financial statements and annual governance statements.	TBC*
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). The AAR will be taken to the Independent Audit Committee.	TBC*
* We are currently planning our delivery timetables for our final accounts and VFM responsibilities and will discuss these with management. The Accounts and Audit (Amendment) Regulations 2022 require the publication of documents by 30 September 2023; some 2 months earlier than for the 2021/22 financial year. Delivery of an audit to this timetable will be extremely challenging.	

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:

A teal rectangular button with the text "Public Sector" in white.

Public Sector

A purple rectangular button with the text "Police" in white.

Police

Exploring the reasons for delayed publication of audited local authority accounts in England – Grant Thornton

Recent performance against target publication dates for audited local authority accounts in England has been poor. There are some reasons for optimism that there will be an improvement in the timeliness of publication of audited accounts as foundations are being laid for the future.

In this report we explore the requirements for publication of draft and audited accounts and look at some of the reasons for the decline in performance against these requirements over time. Only 12% of audited accounts for 2021/22 were published by the target date of 30 November 2022. There is no single cause for the delays in completing local authority audits, and unfortunately there is no quick solution in a complicated system involving multiple parties. We consider a variety of factors contributing to delays, note the measures which have already been taken to support the local audit system and make recommendations for further improvement.

There are some reasons for cautious optimism that the system will begin to recover and there will be a gradual return to better compliance with publication targets. However, we consider that these are outweighed by a number of risk factors and that the September deadline for audited accounts set by DHLUC is not achievable in the short term and also not achievable until there is further significant change in local audit and local government.

We note the following matters that are yet to be tackled:

- clarity over the purpose of local audit
- the complexity of local government financial statements
- agreement on the focus of financial statements audit work
- an improvement in the quality of financial statements and working papers

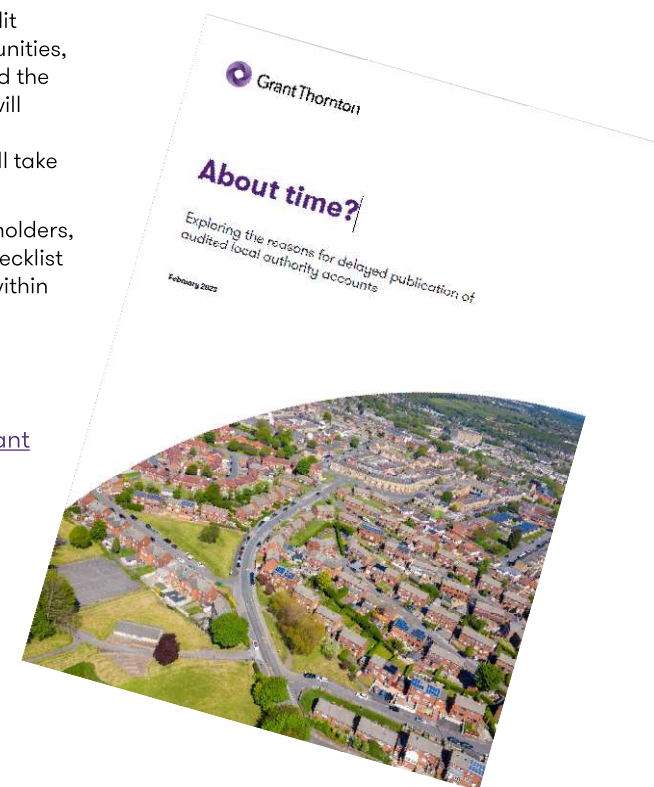
- an agreed approach to dealing with the backlog of local government audits
- Government intervention where there are significant failures in financial reporting processes

All key stakeholders including local audited bodies, the audit firms, the Department for Levelling Up Housing and Communities, PSAA, the NAO, the FRC and its successor ARGAs, CIPFA and the Institute of Chartered Accountants in England and Wales will need to continue their efforts to support a coherent and sustainable system of local audit, acknowledging that it will take time to get things back on track.

We make recommendations in our report for various stakeholders, including Audit Committees and auditors, and include a checklist for consideration by management and Audit Committees within an Appendix to the report.

Read the full report here:

[Report: key challenges in local audit accounting | Grant Thornton](#)



Home Office



Extra 1,420 police join forces across England and Wales in 3 months

An extra 1,420 officers have joined police forces across England and Wales in the past 3 months, as the government continues its unprecedented drive to recruit 20,000 additional police officers by March 2023.

Figures released on 25 January show that more than 16,700 additional police officers have joined the police since April 2020 as part of the government's pledge to get more police officers on our streets.

These figures mean that the government has met 84% of that target and is well on the way to recruiting 20,000 new officers by March.

The figures released today also show the number of police officers from an ethnic minority background is at an all-time high, as the government's recruitment campaign works to change the face and culture of policing.

There are also now 51,107 female officers in our 43 police forces in England and Wales, which is also at its highest point.

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

Home Office



Review of police dismissals launched

A review to ensure that the police officer dismissal process is effective at removing those who are not fit to serve the public has been launched by the Home Office. The internal review will look at the effectiveness of the disciplinary system so the public can be confident it is fair but efficient at removing officers who fall far short of the high standards expected of them.

Baroness Casey's interim report into the culture and standards at the Metropolitan Police Service, published last year, raised concerns about the low number of police officers being dismissed and that those with multiple allegations of misconduct against them are still serving the public. She was also concerned that officers from ethnic minorities are disproportionately represented in the misconduct system.

As set out in the terms of reference published on GOV.UK Police officer dismissals review: terms of reference, Home Office officials will examine the consistency of decision making at misconduct hearings and disproportionality in dismissals, alongside reviewing the existing model of misconduct panels and the impact of legally qualified chairs (LQCs).

The review, which will be completed within approximately 4 months, will also ensure that forces are able to effectively use regulations that allow probationary officers who do not meet the required standard to be let go, and look at whether the current three-tier performance system is effective in being able to dismiss officers who fail to perform the duties expected of their rank and role.

The government has introduced significant reforms to the police complaints and discipline systems in recent years – from misconduct hearings in public and independent legally qualified chairs (LQCs) to the introduction of the barred list and the strengthening of powers for the Independent Office for Police Conduct (IOPC).

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

Home Office



Policing to receive up to £287 million funding boost next year

The police sector will receive a nominal funding boost of up to £287 million next year to help victims feel safe and deliver more visible policing.

The rise will take total funding for policing up to £17.2 billion and mean police and crime commissioners across the 43 police forces in England and Wales will receive a nominal increase of up to £523 million from government grants and precept income to focus on getting the basics right.

The government is giving police crime commissioners in England the ability to raise up to £349 million, through a council tax precept limit of £15.

This provisional settlement will provide £1.1 billion towards national policing priorities, including tackling the scourge of serious violence, county lines, exploitation, abuse, fraud and cyber crime.

Funding for counter-terrorism policing will continue to total over £1 billion, including continued funding for armed policing and the Counter Terrorism Operations Centre.

Funding will also be given to maintain the 20,000 additional police officers recruited as part of the government's unprecedented campaign to put more police on the streets.

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

HMICFRS

Police force reports on the effectiveness of vetting and counter-corruption arrangements

HMICFRS have published reports on the effectiveness of vetting arrangements in 12 police forces. Some of these also include findings on IT monitoring and counter-corruption.

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

Association of Police and Crime Commissioners

PCCs gain new responsibilities in bid to tackle serious violence

Police and Crime Commissioners (PCCs) and Deputy Mayors have gained new responsibilities from 31 January 2023, in a bid to tackle and prevent serious violence in communities.

The Serious Violence Duty is a new legal requirement which will see organisations working together to prevent and tackle serious violence, with PCCs and Deputy Mayors as the local conveners.

The Duty was introduced by the Government through the Police, Crime, Sentencing and Courts (PCSC) Act 2022 and places a duty on specific organisations such as the police, fire service, justice partners, health and local authorities to collaborate to prevent and tackle serious violence in their local area.

It intends to create the right conditions for authorities to collaborate and communicate regularly, using existing partnerships where possible and to share information and take effective coordinated action in local areas. Under the Duty, all statutory partners must work together to develop a strategic needs assessment of the unique causes of violence in their area and then publish a strategy on how they will tackle it.

Police and Crime Commissioners and Deputy Mayors play an important role in this and will take up responsibilities as the lead convener for local partners. Across England and Wales they will be responsible for monitoring the exercise of functions under the Duty and holding partners to account for their compliance and delivery.

See the full article [here](#).



Grant Thornton – Nearly 60 councils at risk of ‘running out of money’ next year

Grant Thornton has warned that the soaring cost of living combined with a decade of austerity could see up to a sixth of English councils fully deplete their reserves in 2023-24 without substantial spending cuts.

Research found that, as a result of higher inflation, councils are expected to have a cumulative budget deficit of £7.3bn by 2025-26 – an increase of £4.6bn since forecasts made at the beginning of this year.

Grant Thornton said that although reserves were bolstered by more than £5bn in 2020-21 due to higher government funding, these balances will “continue to unwind through the long tail of Covid-19” with close to 60 councils forecast to use all earmarked and unallocated reserves next year.

Without additional income, authorities would need to make savings of over £125 per person by 2025-26, equal to the average yearly spend on homelessness, sports and leisure, parks and open spaces, libraries and waste services.

Phillip Woolley, Head of Public Services Consulting at Grant Thornton, said: “Local government has faced unprecedented demands and pressures over the last decade and without action from both central government and councils, in the face of these inflationary pressures, the list of authorities in need of exceptional support looks set to grow quickly.

“Our research shows the additional Covid-19 funding, while critical to support immediate challenges, has not addressed underlying systemic issues or the precariousness of councils’ financial sustainability in the face of economic instability.

“Local authorities are also now facing the risk of interest rate rises, increasing debt financing costs and the real risk of reduced funding from central government, in response to the current economic turmoil facing the country. Without committed intervention from all sides, there is a risk that the sector levels down instead of up.”

Grant Thornton estimated unitary authorities would have the largest budget gap (£1.8bn) by 2025-26, but district councils would have the largest gap compared to net spending at 10.2%.

The firm added that austerity and changing policy demands have left councils struggling to innovate in their services and prevented investment in finance and procurement, diminishing the sector’s ability to tackle medium-term challenges.

Grant Thornton said additional government funding alone will not lead to improvements, and that councils should focus on improving governance and developing financial stability plans.

Joanne Pitt, local government policy manager at CIPFA, said: “With no spending review and no fair funding review, CIPFA shares Grant Thornton’s concerns about the financial sustainability of some in the sector.

“While there are actions local authorities can take to strengthen their own financial resilience, they are facing significant inflationary pressures and rising demand which makes this hugely challenging for the sector.”





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AGENDA NO: **10**

INDEPENDENT AUDIT COMMITTEE

DATE OF MEETING: 5 APRIL 2023

FOIA: OPEN

TITLE OF REPORT: EXTERNAL AUDIT SCALE FEES

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	
Internal Audit	
External Audit	X
Financial reporting	
Other matter (please specify here)	
Appendices (please specify the number)	1

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 The procurement process covered the audits of the accounts for eligible bodies and is conducted by the PSAA in accordance with the Code of Audit Practice. Dorset Police and Devon & Cornwall Police & OPCC have always opted into the PSAA procurement process

2. CHARGING PROCESS

- 2.1 The PSAA set a standard fee that is agreed at the procurement tender process. Any further charges must be agreed by the PSAA before they can be levied to the public body. These are described as the extra charges in the tables contained in Appendix A.

- 2.2 Also shown in the tables are the PSAA redistribution credits received by the Force and OPCC. The PSAA operate on a not-for-profit basis and if funds are not required to cover expected costs, they return them to scheme members.

3. **NEXT STEPS**

- 3.1 You will see that the PSAA have agreed a higher standard fee for 2022-23 in advance of the audits commencing. The explanation given is:

The increased fee scale used the scale set for 2021/22 audits as a baseline, and adjustments to this figure were made for recurrent fee variations for 2019/20 and 2020/21 audits.

- 3.2 In addition, PSAA have stated that the fee information for the newly appointed contracts from 2023/24 will be published by 30th November 2023. However, they have published the following advice:

“The bid prices we have received in this procurement reflect a significant increase compared to our previous procurement in 2017. At this stage our advice to bodies is to anticipate a major re-set of total fees for 2023/24 involving an increase of the order of 150% on the total fees for 2022/23. The actual total fees will depend on the amount of work required.”

- 3.3 PSAA have informed both forces and OPCC of the re appointment of Grant Thornton which covers the audit years 2023/2024 to 2027/2028.

9 February 2023

DORSET												
	2018-19		2019-20		2020-21		2021-22		2022-23		2023/24	
	OPCC	Force	OPCC	Force	OPCC	Force	OPCC	Force	OPCC	Force	OPCC	Force
Standard Fee (without VAT)	£22,554.00	£11,550.00	£22,554.00	£11,550.00	£22,554.00	£11,550.00	£22,554.00	£11,550.00	£26,230.00	£14,501.00	£33,831.00	£17,325.00
Extra Charges (without VAT)	£750.00	£750.00	£7,939.00	£16,247.00	£13,876.00	£6,551.00	Not Yet Invoiced		Not Yet Invoiced		Anticipated 150% increase in Standard Fee above	
PSAA redistribution (credit)	£0.00	£0.00	-£2,730.00	-£1,400.00	-£4,450.00	-£2,280.00						
	£23,304.00	£12,300.00	£27,763.00	£26,397.00	£31,980.00	£15,821.00						
Increase +	£750.00	£750.00	£5,209.00	£14,847.00	£9,426.00	£4,271.00						
% Increase From Standard Fee	3.33%	6.49%	23.10%	128.55%	41.79%	36.98%						
Breakdown of Extra Charges												
Other Pension Costs re McCloud etc	£750.00	£750.00	£950.00	£11,800.00								
Pensions Valuation (IAS 19)				£1,750.00								
Raising The Bar			£1,190.00	£610.00	£3,675.00	£2,950.00						
COVID-19			£4,049.00	£2,087.00								
PPE Valuation Work (Experts)			£1,750.00									
Increased audit requirements ISA 540/240/700					£3,201.00	£1,601.00						
Value For Money (VFM)					£7,000.00	£2,000.00						
	£750.00	£750.00	£7,939.00	£16,247.00	£13,876.00	£6,551.00						

DEVON & CORNWALL												
	2018-19		2019-20		2020-21		2021-22		2022-23		2023/24	
	OPCC	Force	OPCC	Force	OPCC	Force	OPCC	Force	OPCC	Force	OPCC	Force
Standard Fee (without VAT)	£27,992.00	£14,438.00	£27,992.00	£14,438.00	£27,992.00	£14,438.00	£27,992.00	£14,438.00	£32,243.00	£17,689.00	£41,988.00	£21,657.00
Extra Charges (without VAT)	£2,730.00	£1,770.00	£11,347.00	£7,100.00	£15,150.00	£7,600.00	Not Yet Invoiced		Not Yet Invoiced		Anticipated 150% increase in Standard Fee above	
PSAA redistribution (credit)	£0.00	£0.00	£-3,390.00	£-1,750.00	£-5,520.00	£-2,850.00						
	£30,722.00	£16,208.00	£35,949.00	£19,788.00	£37,622.00	£19,188.00						
Increase +	£2,730.00	£1,770.00	£7,957.00	£5,350.00	£9,630.00	£4,750.00						
% Increase on Standard Fee	9.75%	12.26%	28.43%	37.05%	34.40%	32.90%						
<u>Breakdown of Extra Charges</u>												
Whole Government Accounts	£1,980.00	£1,020.00		£-3,000.00								
Other Pension Costs re McCloud etc	£750.00	£750.00		£1,500.00								
Pensions Valuation (IAS 19)				£1,750.00	£1,650.00	£1,750.00						
Devon Pension Fund Charge IAS 19			£787.00									
Raising The Bar			£1,650.00	£850.00		£850.00						
COVID-19			£4,910.00	£3,000.00								
Developments & Local Issues			£1,500.00	£3,000.00								
PPE Valuation Work (Experts)			£2,500.00		£2,500.00							
Increased audit requirements ISA					£4,000.00	£2,000.00						
Value For Money (VFM)					£7,000.00	£3,000.00						
	£2,730.00	£1,770.00	£11,347.00	£7,100.00	£15,150.00	£7,600.00						



**DORSET
POLICE**



PCC
Office of the Police
and Crime Commissioner
Devon and Cornwall



AGENDA NO: 11

INDEPENDENT AUDIT COMMITTEE

DATE OF MEETING: 5 April 2023

FOIA OPEN

TITLE OF REPORT: STATEMENT OF ACCOUNTS PREPARATION 2022/23

REPORT BY: LUCINDA HINES, HEAD OF TECHNICAL ACCOUNTING

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	
Financial reporting	X
Other matter (<i>please specify here</i>)	
Appendices (<i>please specify the number</i>)	0

RECOMMENDATIONS:

The Independent Audit Committee is asked to:

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

1. BACKGROUND INFORMATION

- 1.1 This report: outlines the preparation for the 2022/23 Statements of Account; accounting policies; and other matters of relevance.

2. PREPARATION FOR THE 2022/23 STATEMENT OF ACCOUNTS

- 2.1 Following the production of the previous year's draft accounts, the technical accounting team take the opportunity to capture feedback on the closedown

process from the wider team. There was nothing of significance raised and so the same process will be used to produce the 2022/23 accounts.

- 2.2 The accounts template and the booklet for Devon and Cornwall have been rolled forward and at the time of writing Dorset's rolling forward of the template and booklet was in progress. For the Dorset accounts, the brought forward balances will be based on the unaudited 2021/22 accounts. Any adjustments required to the 2021/22 accounts will also need to be reflected in the 2022/23 accounts.
- 2.3 The finance department has been issued with the detailed timetable and supporting standard operating procedures. At the development day in December, a training session was delivered to the team covering: key dates; standard operating procedures; and guidance for producing good working papers.
- 2.4 Twice weekly year end surgeries have been taking place since 1 February. This is an opportunity for the team to raise queries and to receive guidance on how to approach certain tasks. These sessions and subsequent discussions contribute to ensuring that everyone is clear about their responsibilities and contribution to the accounts.
- 2.5 High level checks have been introduced in quarter 3 to assist with assurance and to allow early identification and resolution of any issues arising. These checks are supplemented by reconciliations of the control accounts mid-month.
- 2.6 CIPFA, Grant Thornton and Arlingclose year end related training sessions have been attended.

3. ACCOUNTING POLICIES

- 3.1 A detailed review of accounting policies has been undertaken. This review included a cross reference between 2021/22 and 2022/23 accounting policies in the CIPFA code which were then cross checked against the accounting policies detailed in the accounts. Changes have been largely cosmetic
- 3.2 There are a few changes to the 2022/23 Code, mainly to clarify the requirements of specific areas within the Code or to provide additional guidance, but they do not change the requirements of the Code.

4. OTHER MATTERS OF RELEVANCE

- 4.1 Recommendations from the 2021/22 D&C audit are being actioned, specifically:

System Recommendations

- Six monthly reports will be issued to Internal Audit detailing who has access to privileged accounts in Agresso. The first report has already been made available. Controls are also in place to remove leavers promptly.

- A review of system access for new starters is in progress and due for completion by 30th April. This review is to ensure that system access granted to a user is applicable to the role.
- System access has been removed from a BT employee to ensure there is segregation between deploying server changes and system access. In addition, updating the test and live environments will be done by two different analysts.

Accounts Recommendation

- An annual reconciliation to ensure that all vehicles recorded in the fleet system are also recorded in the asset register is now featured in our year-end timetable and is scheduled for completion on the 6 April 2023.

4.2 At the time of writing the outstanding audit areas were as follows: -

- 2021/22 D&C VFM work
- 2021/22 D&C WGA review
- 2021/22 Dorset main audit (this audit is due to restart in July 2023)
- 2021/22 Dorset VFM (this audit will commence when the main audit work has been completed)
- 2021/22 Dorset WGA review (this audit will commence when the main audit work has been completed)

4.3 Regarding the 2022/23 audit of the D&C accounts, requests for information have been received from the audit team. Work to respond to these requests is underway.

4.4 Support from the Business Accountancy team has been arranged to mitigate the impact of the additional work on the Technical Accounting Team. This additional workload on the team and turnaround times for responding to requests will need monitoring closely.

4.5 The Accountancy team are working towards the 31 May 2023 for the draft accounts. Published audited accounts have a deadline of 30 September 2023.

22 March 2023

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AGENDA NO: 12

INDEPENDENT AUDIT COMMITTEE

DATE OF MEETING: 05 April 2023

FOIA OPEN

TITLE OF REPORT: Devon & Cornwall Police Risk Update

REPORT BY: Phil Rigg, Planning & Performance 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	
External Audit	
Financial reporting	
Other matter <i>(please specify here)</i>	
Appendices <i>(please specify the number)</i>	0

RECOMMENDATIONS:

The Independent Audit Committee is asked to:

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

1. STRATEGIC ISSUE

1.1 Since November 2022 Devon & Cornwall Police (DCP) have been actively developing a proposal to align its Force Management Statement (FMS) and risk management processes, which:

- Builds on the force's established risk management capabilities and experience gained to date.

- Reduces overall demand on the business and P&A PPM team in producing the force's risk register and FMS
 - Increases consistency between the force's risk register and FMS
 - Provides more effective governance and progress monitoring of mitigating actions / FMS Step 3 actions, which has previously been an area criticised by HMICFRS
 - Incorporates policy and recommendations reporting into the FMS / risk management process
 - Provides a dynamic and robust evidence base to inform decision making and strategic priorities
 - Encourages business leads to be forward looking and plan to meet demand in an efficient and effective way
 - Aligns with other strategic developments and changes taking place in the force
- 1.2 The approach provides an opportunity to align the FMS and force risk management process through newly developed "risk statements" to populate a new Force Management Risk Register (FMRR), replacing the current Force Risk Register (FRR) and its assurance statements. Risk statements will be more prescriptive and aligned to FMS headings, whilst being updated on a regular basis (at least every four months in line with the schedule agreed with Dorset for submitting the force's risk register to the Force Executive).
- 1.3 Adopting this approach should reduce the administrative demand of producing the FMS, whilst ensuring that the FMS and FMRR are aligned. This approach also addresses the issue of providing governance and progress monitoring for the actions identified under Step 3 of the FMS, which currently have no formal review between publications of the FMS. Lastly, the proposed approach provides governance for policies and recommendations, which are closely associated with the risk management process.
- 1.4 The new approach was presented to the Director of Legal, Reputation and Risk on 03.02.23, the Deputy Chief Constable on 02.03.23 and the Force Executive Board (FEB) on 14.03.23, where the following recommendations were approved.
- i. That the proposed approach is adopted and a Force Management Risk Register (FMRR) is produced for submission to the Force Executive in June 2023 and OPCC in July 2023, in line with the schedule agreed with Dorset.
 - ii. That the proposed approach is shared with Dorset police for awareness and to ensure that it does not compromise Dorset's reporting requirements.

- iii. That the proposed approach is shared with HMICFRS (His Majesty's Inspectorate of Constabularies and Fire & Rescue Services), the NPCC (National Police Chiefs' Council) Strategy, Planning & Performance Team, the College of Policing and SWAP (South West Audit Partnership) for awareness and feedback.

- 1.5 DCP are currently working towards generating an initial Force Management Risk Register for submission to the Force Executive in June 2023 and the Police & Crime Joint Executive (PCJE) in July 2023, in line with the schedule previously agreed with Dorset.

2. BACKGROUND INFORMATION

- 2.1 DCP's current approach to risk management began in 2012 and has been evolving since.
- 2.2 Following the announcement of the Strategic Alliance, a paper (*Review of Risk Management across the Four Corporations Sole in the Dorset and Devon & Cornwall Police Strategic Alliance*) was written in 2017 that identified thirty recommendations to deliver a single risk management methodology and process to meet the needs of the four corporations sole in the Strategic Alliance. These recommendations were delivered as far as possible, with the two forces having adopted similar risk management processes that run to the same schedule (primarily four monthly Executive updates), whilst meeting local needs. There is close working across the Strategic Alliance at an executive and risk practitioner level, and the proposed changes in this paper are intended to support and enhance the alignment of the two forces' risk management processes, whilst meeting the particular needs of DCP.
- 2.3 A Force Management Statement (FMS) is a self-assessment that chief constables prepare and submit to HMICFRS each year, which provides an explanation of:
 - The demand the force expects to face in the foreseeable future
 - The performance, condition, composition, capacity, capability, wellbeing, serviceability and security of supply of the force's workforce and other assets, and the extent to which current force assets will be able to meet expected future demand
 - How the force will change and improve its workforce, policies, practices and other assets to cope with future demand
 - The effect the force expects those changes to have and the effect of any residual risk of service failure
 - The money the force expects to have to do this
- 2.4 HMICFRS provide an FMS template for Forces that outlines four steps that Forces are required to follow for each FMS heading:

Step 1: Establish the gap between current demand and demand you expect in the next four years.

Step 2: Establish the current status of your workforce and other assets: their performance, condition, capacity, capability, serviceability, wellbeing and security of supply.

Step 3: Explain what you will do to make sure your workforce and other assets will be able to meet the demand you are anticipating; this may be by changing the skills of your workforce, investing in new ICT and making efficiencies.

Step 4: State how much and what types of future demand you don't expect to be able to meet, having made the changes and efficiencies in step 3.

- 2.5 The FMS is used by HMICFRS to inform inspection activity and supplement monitoring of Forces' performance.
- 2.6 With the introduction of the FMS by HMICFRS in 2018 it was recognised in DCP that there was a high degree of commonality between the FMS and the Force Risk Register (FRR), and work has been ongoing since to identify how the two can be aligned and reconciled. To date this has resulted in manually checking that the contents of the FMS and FRR are aligned.
- 2.7 The proposed aligned approach will introduce a single risk management process in DCP, incorporating risk management and the risk aspects of the FMS:
- Replacing the current departmental and BCU risk registers with new risk statements aligned to each of the FMS headings.
 - Each risk statement will have an Executive owner, similar to the current assurance statements.
 - Only strategic risks will be recorded on the risk statements under the two categories of Demand & Operating Environment (FMS Step 1) and Capacity & Capability (FMS Step 2).
 - More effective governance and progress monitoring of mitigating actions / FMS Step 3 actions will be provided, which has previously been an area criticised by HMICFRS.
 - The executive owner will determine an overall risk RAG assessment for Demand & Operating Environment and an overall risk RAG assessment for Capacity & Capability.
 - The current Force Risk Register (FRR) will be retired and replaced by a new Force Management Risk Register (FMRR) that would consist of only those risk statements that their Executive owners wish to be brought to the attention of the Force Executive for escalation.
 - An assessment of the status of the relevant force policies and recommendations will be included in each risk statement.

- 2.8 Dorset Police have been kept apprised of the proposed changes to DCP's risk management processes, and engagement will continue to ensure that any changes do not compromise Dorset's reporting requirements for any risks that are shared by both forces through the Strategic Alliance. Nothing in the new arrangements should cause any tension in the risk management approach across the Forces. Nor should it result in any duplication of effort or a lack of focus on Strategic Alliance risks. In fact, the opposite should be true, with a reduction of duplicated effort (in DCP at least) and a closer focus on Strategic Alliance risk.
- 2.9 The proposals have been shared with HMICFRS and the NPCC Strategy, Planning & Performance Team, who have asked to be kept informed of developments, as it is believed that this is the first time that a force has sought to align its FMS and risk management processes in this way. DCP have also been asked to present the proposals to the NPCC National Risk Management Forum on 11 May 2023. It is also planned to share the proposals with the College of Policing and SWAP.
- 2.10 The proposed approach will deliver the following benefits:
- Provides a comprehensive, regularly updated risk assessment and mitigating action progress update for each FMS heading.
 - Provides a RAG status for Demand & Operating Environment and a RAG status for Capacity & Capability under each FMS heading.
 - Empowers the executive owner to decide whether the risk statement is included in the Force Management Risk Register (FMRR) for escalation to the Executive.
 - Risk statements should go a considerable way to populating the FMS.
 - Reduced overall demand required to generate the FMS and maintain the FMRR.
 - Increased consistency between FMS and FMRR, leading to a better understanding of and consistent response to the threats facing the force.
 - More effective governance and progress monitoring of mitigating actions / FMS Step 3 actions.
 - Governance of policy and recommendations is incorporated into the risk management process.
 - Provides a dynamic and robust evidence base to inform decision making and strategic priorities.
 - Encourages business leads to be forward looking and plan to meet demand in an efficient and effective way.
 - Supports other strategic developments and changes taking place in the force.

15 March 2023



AGENDA NO: 13

INDEPENDENT AUDIT COMMITTEE

DATE OF MEETING: 5 April 2023

FOIA OPEN/FOIA CLOSED: [FOIA OPEN]

TITLE OF REPORT: Dorset Risk Management Update

REPORT BY: Teri Roberts, Risk 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	
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	
Note the report	X
Other (please specify here)	

1. BACKGROUND INFORMATION

1.1 The purpose of this report is to provide the Independent Audit Committee (IAC) with an update on the risk management process in Dorset Police.

1.2 It was requested that this report specifically provides an update on:

- Policy & Procedure changes since the last update to committee
- Force attitude and approach to risk acceptance and mitigation of risk

2. GOVERNANCE AND REPORTING

- 2.1 Departmental risk registers were last reviewed in December 2022, so that relevant information could be used to order to inform progress on related force strategic risks. This follows the formal 4 monthly review process implemented June 2022.
- 2.2 Departmental risk registers are presented and discussed at departmental Senior Management Team (SMT) meetings. This provides each department oversight of their risk profile and most significant risks, as well as presentation of the force's most significant risks and any associated force strategic risks that are linked to the department.
- 2.3 Each member of the executive works with the Risk Manager and relevant business leads to review progress on the strategic risks they own. In addition, members of the executive are provided with a Portfolio Risk Dashboard so that they have oversight of their departmental risks.
- 2.4 The Force Strategic Risk Register was last reviewed in January 2023 and presented to Chief Officers Group on 3 February, followed by presentation to the DCC (Ops) Board on 22 February to heads of departments.
- 2.5 A deep dive into 3 force strategic risks is scheduled for 12 May 2023. This is the 3rd deep dive held since the implementation of the new risk management processes in June 2022.

3. CHANGES TO RISK MANAGEMENT PROCESSES

- 3.1 Since the last report a review of the risk assessment criteria has been undertaken, in order to improve the criteria and where possible align with Devon & Cornwall.
- 3.2 The only area of significant difference is the criteria to assess financial impact as the levels set are relevant to the financial level of risk each organisation is willing to accept.
- 3.3 A Risk Assessment Toolkit has been developed and is in the process of being rolled out. This has changed how the force considers the level of risk from low, medium and high to very low, low, medium, high and very high so that risk treatment is proportionate and relevant.

4. NEXT STEPS

- 4.1 The Risk Manager is in the process of scheduling workshops to implement the new risk assessment criteria and introduce the Risk Assessment Toolkit. The first workshop is scheduled with Resourcing and Development in May 2023.
- 4.2 Work is ongoing with departments to embed the risk management processes and follow an enterprise risk management approach.

- 4.3 The Risk Manager will be meeting with members of the executive to develop the force's risk appetite so that the force's risk appetite statement can be published later in 2023.
- 4.4 A review of the Dorset Risk Management Procedure will take place in the autumn of 2023 to ensure that it reflects the changes to the risk assessment criteria, the new toolkit and the risk appetite statement.

Author: Teri Roberts, Risk Manager

Sponsor: Deputy Chief Constable de Reya

21.02.23

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Devon and Cornwall Police and the Police and Crime Commissioner for Devon, Cornwall and the Isle of Scilly



Joint Annual Governance Statement 2022-23



Scope of Responsibility

The Chief Constable and Police & Crime Commissioner are responsible for ensuring all business is conducted in accordance with the law and proper standards, and the public money allocated to it is safeguarded, properly accounted for, and used economically, efficiently and effectively. In order to discharge this responsibility, they must put in place proper arrangements for governance, including arrangements for managing risk. Their legal duties and responsibilities are clearly defined within the following:

[Police Reform and Social Responsibility Act 2011](#)

[Policing Protocol Order 2011](#)

[Financial Management Code of Practice for the Police and Fire & Rescue Services 2018](#)

To support the delivery of their legal responsibilities, the Chief Constable and

Police & Crime Commissioner established a Corporate Governance Framework that includes the summary Code of Corporate Governance. The Code is consistent with the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework for Delivering Good Governance Guidance Notes for Policing Bodies 2016.

This statement explains how the Chief Constable and Police & Crime Commissioner have complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015 which require them to publish an Annual Governance Statement (AGS).

The Code of Corporate Governance sets out the principles of good governance and describes the arrangements that the Chief Constable and Police & Crime Commissioner have put in place to meet each of these principles.

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	B. Ensuring openness and comprehensive stakeholder engagement	
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits	D. Determining the interventions necessary to optimise the achievement of the intended outcomes	E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
F. Managing risks and performance through robust internal control and strong public financial management		G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

The Purpose of the Corporate Governance Framework



The Corporate Governance Framework sets out the systems and processes, culture and values by which the Chief Constable and the Police & Crime Commissioner (Commissioner) manage their respective roles and responsibilities. This includes their leadership arrangements, methods of engagement and accountability to the communities they serve. This enables them to monitor the achievement of strategic objectives and to consider whether appropriate, cost-effective services have been delivered.

The Framework establishes a system of internal control designed to manage risk to an acceptable level in accordance with the “risk appetite”. The system of internal control is an on-going process designed to identify, prioritise and manage risks. It cannot entirely eliminate risk and seeks to provide reasonable, rather than absolute, assurance of effectiveness.

Schemes of Corporate Governance and Delegation detail arrangements for decision making which uphold the principles of the Policing Protocol Order, designed to ensure an effective and constructive working relationship between the Chief Constable and the Commissioner. These can be found in the Code of Corporate Governance. The Code of Corporate Governance is applicable to the financial year ended 31 March 2023 and up to the date of approval of the annual accounts.

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Key Elements of the Governance Framework

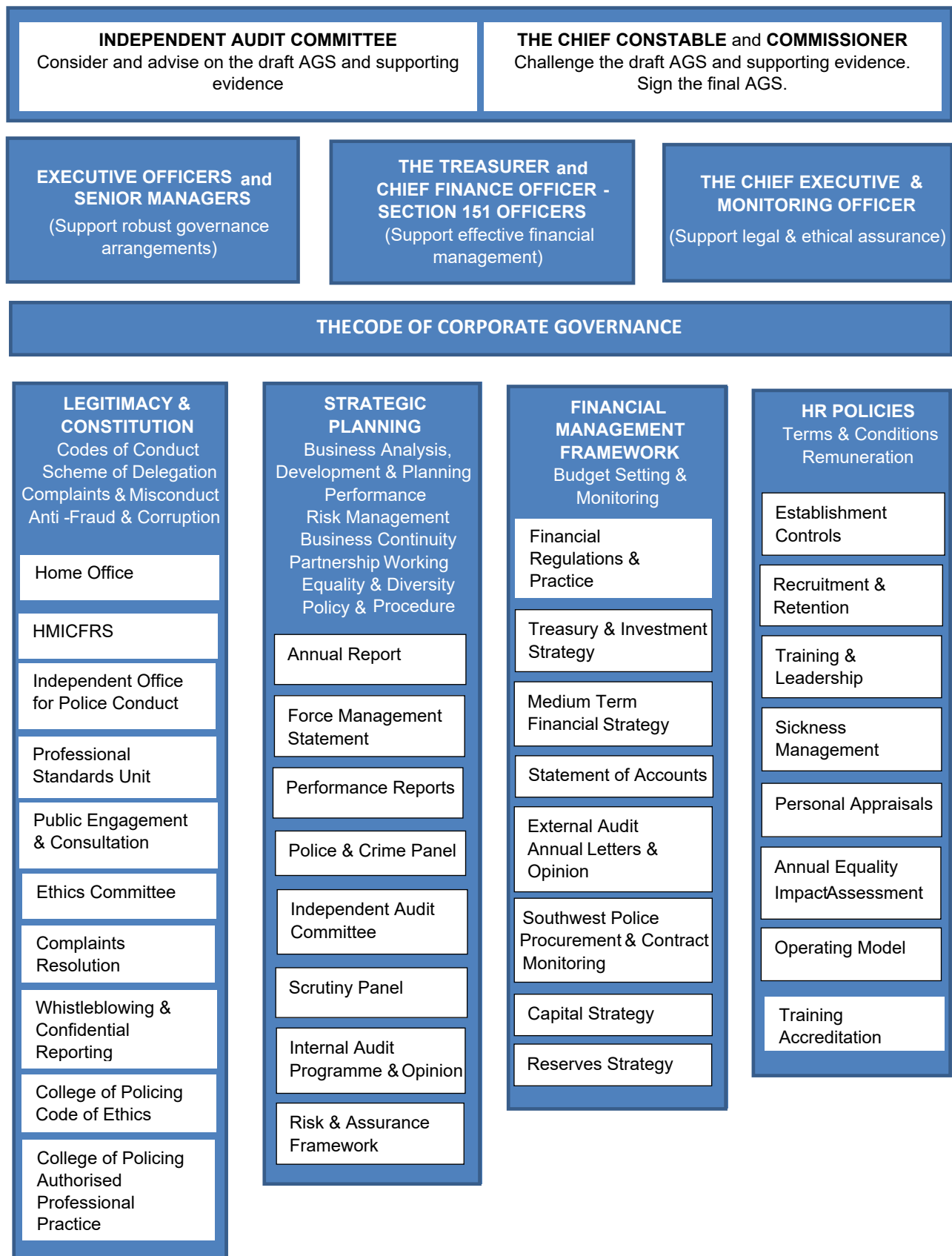
The Chief Constable and the Commissioner have separate statutory responsibilities within their own organisations. They also work together to ensure that Devon and Cornwall Police is working effectively and is held accountable for the standard of service delivered to the public. The Chief Constable and the Commissioner are considered two separate legal entities.

The Corporate Governance Framework sets out the strategic and operational controls designed to facilitate the delivery of the [Police & Crime Plan](#). The structures, processes, risk management and other internal control systems form part of that framework. The Police and Crime Plan sets out the Commissioners objectives and sets the plan for the force.

The Chief Constable and the Commissioner are responsible for putting in place proper arrangements for the governance of activities and the management of resources. This task is managed by their Strategic Management Teams. For the Office of the Police and Crime Commissioner (OPCC) this comprises of the Section 151 Officer (the Treasurer) and the Chief Executive, who is also the Monitoring Officer. For the Force this comprises their Section 151 Officer (Director of Finance and Resources) and the Deputy Chief Constable who is the Chief Operating Officer. Representatives from the Executive Teams are members of the Police and Crime Joint Executive and Resources Board, which form part of the formal shared governance arrangements. Governance arrangements are regularly reviewed by the Independent Audit Committee. The Corporate Governance Framework sets out the controls in full.

The financial management arrangements for the Chief Constable and the Commissioner are compliant with the governance requirements set out in the CIPFA Statement of the Role of the Chief Financial Officer in Local Government (2015) as set out in the CIPFA SOLACE Delivering Good Governance in Local Government: Framework (2016 Edition). The Chief Finance Officer (CFO) of the OPCC and the CFO of the Chief Constable carry out their duties with due regard to the principles set out in the CIPFA Role of CFO's in Policing (March 2021).

The Chief Constable and the Commissioner have responsibility for conducting an annual review on the effectiveness of its Corporate Governance Framework, including the system of internal control.



Review of Effectiveness

As covered under the “Key Elements of the Governance Framework”, the Chief Constable and Commissioner have responsibility for conducting an annual review of the effectiveness of the governance framework.

The review is informed by:-

- the work of the Audit, Insurance and Strategic Risk department
- the annual internal audit opinion
- comments made by the independent external auditor provider
- the opinion of His Majesty’s Inspectorate of Constabulary, Fire and Rescue Service (HMICFRS).
- the Independent Audit Committee which reviews elements of the framework for effectiveness throughout the year. They also review the system of internal audit.

The review of effectiveness for the year 2022-23, conducted by the Audit, Insurance and Strategic Risk department, obtained substantial evidence of good governance against each of the seven CIPFA principles recorded on page 2.

The internal audit providers’ definition of “substantial” assurance is as follows:

The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively, and risks against the achievement of objectives are well managed.

The internal auditors completed the annual programme of audits throughout the year. The plan was risk-based and could be changed to cover emergent risks. This included all key financial systems with recommendations for improvement provided to the relevant manager and the Independent Audit Committee.

Based on the assurance work undertaken, the internal audit annual report on internal audit activity provided an overall “TBC” rolling assurance opinion for the year 2022-23.

The external auditor delivers an audit opinion based on their verification of the financial accounts.

During the year External Audit gave an “unqualified” opinion on the Group, Police & Crime Commissioner and Chief Constable’s financial statements 2020-21. The external audit annual report 2020-21 provided commentary on the arrangements for securing value for money. No significant weaknesses were found in the arrangements for financial sustainability and improving economy, efficiency and effectiveness.

The audit of the financial statements 2021-22 is complete but is awaiting the audit certificate.

Review of Effectiveness continued

The Ethics Committee, chaired by the Director of Legal, Reputation and Risk meets monthly and is designed to provide advice and support to leaders and decision makers on ethical and moral issues.

The Independent Audit Committee scrutinised and challenged financial management and policy decisions throughout the year. The Committee also considered the effectiveness of risk management arrangements.

The Committee Chair reviewed issues through regular meetings with the Executive and Chief Officers. Committee members worked together, to develop and use their knowledge and expertise, and that of others to the best effect. They have a non-political, evidence-based approach that has been proven to achieve good results. To support their roles, all Committee Members regularly reviewed and considered their training requirements.

Meeting virtually enabled the Committee to provide continuous independent scrutiny and advice. Assurance and recommendations have been provided on the adequacy of the governance and risk management frameworks, the internal control environment and financial reports.

The Commissioner is a Vice Chair of the [Association of Police and Crime Commissioners](#) (APCC) and a Director of the APCC Board. The APCC was created to help Commissioners come together to influence change at a national level. The Commissioner is currently the Chair of the National Modern Slavery and Organised Immigration Crime Strategic Assurance Board and a member of the National Rural Crime Network Executive Board. Regionally the Commissioner is Chair of the Local Criminal Justice board, the South West Reducing Reoffending Board and also the South West Collaboration Board. Locally the Commissioner is the Chair of Vision Zero South West.

The Chief Constable is a member of the National Police Chiefs Council (NPCC) which brings UK police leaders together to set direction in policing and drive progress for the public.

Review of Effectiveness continued

Police and Crime Panel

The D&C Police and Crime Panel scrutinises and challenges the Commissioner on the achievement of the objectives set out in the Police and Crime Plan. The panel has the power to request reports and call the Commissioner to attend its meetings.

During 2022-23 the Devon & Cornwall panel has considered:

- reports on the activities of the Commissioner
- the Budget and Medium Term Financial Strategy
- the proposed increase in Precept
- performance reports
- the appointment of the new Chief Constable

Scrutiny Framework

The Commissioner operates a scrutiny framework that informs policy and holds the Chief Constable to account.

The Commissioner for Devon, Cornwall and the Isles of Scilly conducts scrutiny in three broad ways. Some of this is carried out directly, whilst some is delegated to the Chief Executive, office staff, volunteers, or specially convened panels

1. Informal Scrutiny and Oversight (through regular meetings with the Chief Constable and force leadership)
2. Quality Assurance Scrutiny (checking that police processes and procedures are being carried out properly and appropriately)
3. Thematic Scrutiny Enquiries (which may be delivered through a Scrutiny Enquiry Panel)

Business Board

A principle decision-making forum for operational policing is the Business Board. Meetings have been held every two months and received updates on risk management, progress on business change programmes, financial management and ICT arrangements. Once a quarter the Board is given over to the monitoring and review of Force performance.

Force Management Statement

Senior managers have completed Force Management Statements across the organisation, that assess and predict future demand. This supports strategic financial planning for long term, sustainable resourcing.

Review of Effectiveness continued

Police and Crime Joint Executive

The Policing and Crime Joint Executive (PCJE) guided the Commissioner and Chief Constable in the formulation of corporate strategies, plans, objectives and priorities. Its core focus is on delivery of the Police and Crime Plan, key strategic decisions, and performance assurance. The Board was attended by representatives from both the Force and OPCC Executives.

Resources Board

The Chief Constable and the Commissioner are dedicated to ensuring that resources are utilised in the most effective and efficient manner. The Resources Board met monthly to monitor the management of resources including land, property, finance, projects and people. The Board received regular reports on workforce supply, litigation, estates, capital health checks and group financials.

The Resources Board has supported the achievement of the strategic objectives as recorded in the Annual Report.

Force Executive Board

The Force Executive Board met twice a month to ensure all areas within Devon and Cornwall Police (operational and support) were co-ordinated to provide an effective service to the Public.

OPCC Leadership Board

The OPCC Leadership Board is the primary governance board for the OPCC. The OPCC executive met regularly to make strategic decisions, monitor the achievement of the police and crime plan objectives, monitor expenditure, sign off policies and manage risks.

Working Together Board

The Working Together Board is the forum for making key strategic decisions between Devon & Cornwall and Dorset Police. This is a quarterly meeting of the two Chief Constables, two Commissioners and their Executive Officers. Shared business areas are kept under regular review to ensure that the outputs being delivered meet today's needs.

Joint Executive Board

The Joint Executive Board provides organisational governance and leadership, sets strategic direction and ensures co-ordination, when required across both Force areas.

Review of Effectiveness continued

Business Change

Key projects designed to deliver continuous improvement have been managed through the Business Change Board ('PRISM')

This Board drives change activity to ensure benefits and outcomes are delivered across the organisation. Financial reports on individual projects are monitored alongside progress updates from local, regional and national programmes to identify risks and access delivery timescale.

HMICFRS

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) works in the public's interest to independently assess and report on the effectiveness and efficiency of police forces and fire & rescue services.

The inspectorate's 2021-22 Police Effectiveness Efficiency and Legitimacy (PEEL) report on the force was published in February 2023. It graded the force's performance across nine areas of policing. The report found the force was 'inadequate' in three areas, 'requires improvement' in two areas, 'adequate' in two areas and 'good' in two areas.

As a result, the force has entered the Engage phase of HMICFRS monitoring. This includes the development of an improvement plan for the areas identified as inadequate. The force, as with others in the Engage phase, has received support from external organisations including the College of Policing and other forces. Details can be found on the [HMICFRS website](#).

The Equality, Diversity and Human Rights Strategic Group monitored the delivery of equality objectives, including the delivery of public sector equality duty. The Force maintains its focus on addressing equality issues with the details of current initiatives recorded in the force Gender Pay Gap Report 2022-23.

A Coroner's inquest into the deaths of five people killed in Keyham considered processes and leadership in Devon and Cornwall Firearms Licensing. Activities are in place to identify any governance issues arising from the coroner's findings.

Targets for the recruitment of additional officers have been set by the Home Office for each individual force. Significant financial support is dependent on achieving those targets. Oversight processes were put in place to monitor these challenging targets and Devon and Cornwall Police have achieved their March 2023 target.

Key Governance Principles

Behaving with Integrity, demonstrating strong commitment to ethical values and respecting the rule of law

Complaints about D&C police, its officers and staff are managed by the force. A whistle blowing policy and confidential reporting arrangements are well established which supports the complaints process.

Since February 2020 the Commissioner has reviewed complaints where the complainant was dissatisfied with the outcome. Information on how to complain is readily available on the D&C OPCC website, with the Annual Police Complaints and Conduct Performance Statement published by the OPCC in December 2022.

The Independent Office for Police Conduct (IOPC) is the independent government agency responsible for the independent investigation of the most sensitive and serious allegations involving the police

The Force Chief Finance Officer (CFO) and the OPCC Treasurer have worked together to support the Chief Executive to manage the budget of the Commissioner. The responsibilities and principles are set out in the Code of Corporate Governance Financial Regulations and the CIPFA Statement on the Role of the Chief Finance Officer.

Financial information has been reported on commissioning, budget management and delivery against financial strategies.

The OPCC Chief Executive as the Monitoring Officer has also ensured that the Force and OPCC remained compliant to laws and regulations.

Compliance to laws, regulations, policies and procedures has been evidenced by the relatively low level of liability claims and legal challenges against the Force. The Legal Services department has provided support and advice on all legal matters as required.

Ensuring openness and comprehensive stakeholder engagement

The Force and OPCC websites have been regularly updated and maintained to provide a range of strategic information including key corporate documents and operational advice.

The Commissioning Intentions Plan 2022-23 detailed the range of commissioning undertaken to support the delivery of the Commissioner's statutory duties and the priorities of the police and crime plan. The Commissioner is the Chair of the Local Criminal Justice Board, whose membership includes statutory partners across criminal justice services, as well as community and voluntary sector representatives.

The OPCC awarded grants and was actively engaged with a network of over fifty community and voluntary sector providers under the community grant scheme 2022-23.

The Local Resilience Forum for Devon, Cornwall and the Isles of Scilly (DCIOS LRF) provided help and advice on community risk throughout the pandemic. Support on Covid arrangements and the provision of PPE was provided to the emergency services.

Public consultation surveys took place to assess community views, victim satisfaction and public confidence. This information forms part of the capacity and demand analysis commissioned by the Commissioner.

The Commissioner has conducted extensive public engagement throughout the year. This was achieved through a network of Community Engagement Workers across Devon and Cornwall, online surveys, attendance at public meetings and scheduled "Meet the Police and Crime Commissioner" events.

The HMICFRS PEEL (police effectiveness, efficiency and legitimacy) assessments provide assurance on how the force has performed in several important areas. The inspectorate report on recommendations designed to improve service delivery.

Determining the interventions necessary to optimise the achievement of intended outcomes

Defining outcomes in terms of sustainable economic, social and environmental benefits

The Commissioner's Police and Crime Plan 2021-25 has set the objectives that form the strategic plan. The progress on objectives and improvements to service delivery were published on the Commissioner website.

The Corporate Governance framework sets out the decision-making framework and is available on the OPCC website.

The annual Force Strategic Assessments evaluated overall Force capacity and capability through demand and performance analysis. This supported the development of sustainable plans that delivered the objectives set out in the Police & Crime Plan.

The Commissioner's [Annual Report 2021-22](#) reported on the many achievements made throughout the year, including the return of tourism to the region and the delivery of effective policing.

Force Management Statements are completed annually by senior officers to assess future demand and predict required resources.

Strategic plans for the training of leadership and senior officers are then developed, supported by sound financial planning and decision making.

The roles of leadership and management have clearly defined responsibilities, with the national College of Policing established to improve standards through published Authorised Professional Practices. The college has regularly provided guidance, training and development opportunities. This has supported the delivery of improved skills, matched to the organisation's structures.

Internal recruitment and training plans are in place and have been created to ensure the right leadership skills are available at all times.

Annual appraisals were undertaken at all levels of the organisation, Personal targets have been developed and training opportunities identified.

Developing the entity's capacity including the capability of its leadership and the individuals within it

Managing risk and performance through robust internal control and strong public financial management

Devon & Cornwall Police complete the mandatory Cabinet Office National Fraud Initiative. All irregularities are investigated and reported to the Cabinet Office who set the initiative and are considered by the Independent Audit Committee. No incidents of fraud or corruption were detected from the matches created from the data submission in 2020-21. The matches identified for the 2022-23 initiative have been provided by the Cabinet Office and will be investigated over the financial year.

Strategic risks have been managed through an effective risk management framework with regular assurance reports to the respective executives and to the Joint Leadership Board.

The counter fraud and corruption policy and procedure are in place and arrangements have been monitored throughout the year. Assurance has been regularly reported to the executive and Independent Audit Committee with no significant breaches during 2022-23.

Implementing good practices in transparency, reporting and audit to deliver effective accountability

Internal audit delivered independent, objective scrutiny that provided assurance on the controls in place that prevent error, fraud or corruption. This service was provided in line with the requirements of the CIPFA statement on the Role of the Head of Internal Audit. The Chief Constable and Commissioner provided adequate resources and open access to any information required by the auditors.

External audit provided independent scrutiny of the financial arrangements and accounts. Which allows them to form an opinion on the financial statements and a commentary on the arrangements for Value for Money.

The Independent Audit Committee is a key component of corporate governance. Its purpose is to provide independent assurance on the adequacy of internal controls, risk management and financial arrangements throughout the year.

The Conclusion and Significant Governance Issues

This statement is intended to provide reasonable assurance on governance arrangements. It is stressed that no system of control can provide absolute assurance against material misstatement or loss.

No significant governance issues have been identified during this year's review. For completeness, the minor issues identified are recorded and will be addressed to ensure continuous improvement.

MINOR ISSUES 2021-22

PRINCIPLE	ISSUE	ACTION
Implementing good practices in transparency, reporting and audit to deliver effective accountability	The draft external audit Annual Report 2020/21 (issued in March 2022) found governance arrangements to be effective but highlighted a significant weakness in finance team capacity during the 2021/22 year.	Complete: As agreed by External Audit
	Corporation soles and the public are not able to challenge the finances of the organisations in a timely way due to delays with local audit delivery by Grant Thornton.	Complete: Accounts were published and available for public challenge in line with regulations.
Determining the interventions necessary to optimise the achievement of intended outcomes	Delays to the HMICFRS PEEL inspections due to the pandemic have reduced assurance on the effectiveness, efficiency and legitimacy of the force.	Complete: The findings of the delayed HMICFRS PEEL inspection were published in February 2023.
Defining outcomes in terms of sustainable economic, social and environmental benefits.	Delays to the implementation of some actions from the CIPFA Financial Management Model review.	Complete: Actions considered complete as part of the resilience review.

MINOR ISSUES IDENTIFIED 2022-23

PRINCIPLE	ISSUE	ACTION
Implementing good practices in transparency, reporting and audit to deliver effective accountability	A lack of assurance provided by non audited accounts due to delays with local audit delivery by Grant Thornton.	Robust internal audit and financial reporting to the Corporation soles has been put in place to mitigate this risk. The publication and explanation of non-audited accounts to the public remains in statutory limits.
Determining the interventions necessary to optimise the achievement of intended outcomes	Findings from the HMICFRS PEEL inspections placed the force in the Engaged programme.	Continued participation in the Engage programme to address areas of concern.

**Opinion and
signature**

The Corporate Governance Framework adopted by the Chief Constable and the Police & Crime Commissioner demonstrates all the elements required to support effective governance.

The annual assessment of governance arrangements during 2022-23 has provided an overall assurance opinion of substantial.

Chief Constable

Will Kerr OBE KPM

Dated:

Police & Crime Commissioner

Alison Hernandez

Dated:

Director of Finance & Resources

Sandra Goscomb

Dated:

OPCC Chief Executive

Frances Hughes

Dated:

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DORSET
POLICE & CRIME
COMMISSIONER

Annual Governance Statement 2022-23

Approved TBC 2023

Scope of Responsibility

The Police & Crime Commissioner and Chief Constable are responsible for ensuring that all business is conducted in accordance with the law and proper standards, and that allocated public money is safeguarded, properly accounted for, and used efficiently and effectively. In executing their overall responsibilities they must maintain proper governance arrangements, ensuring their functions are carried out effectively and that a reliable system of internal controls is in place for managing risk.

Their legal duties and responsibilities are clearly defined within the following:
[Police Reform and Social Responsibility Act 2011](#)
[Policing Protocol Order 2011](#)
[Financial Management Code of Practice for the Police and Fire & Rescue Services 2018](#)
[Strategic Policing Requirement 2023](#)



To support the delivery of their legal responsibilities, the Police & Crime Commissioner and Chief Constable have established a Corporate Governance Framework that includes the Code of Corporate Governance.

The code is consistent with the CIPFA SOLACE **Framework for Delivering Good Governance Guidance Notes for Policing Bodies 2016**.

This statement explains compliance to the code and **the Accounts and Audit (England) Regulations 2015** requirement that all relevant bodies prepare an Annual Governance Statement.

CIPFA stands for the Chartered Institute of Public Finance and Accountancy, SOLACE is the leading members' network for local government and public sector professionals throughout the UK.

The Code of Corporate Governance sets out the principles of good governance and describes the arrangements that the Police & Crime Commissioner and Chief Constable have put in place to meet each of these principles.

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

B. Ensuring openness and comprehensive stakeholder engagement

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

F. Managing risks and performance through robust internal control and strong public financial management

G. Implementing good practices in transparency, reporting, and audit, to demonstrate accountability

Key Terms

Code of Corporate Governance –

sets out the agreed system of governance including the formal Scheme of delegation, Roles and Responsibilities and Financial Regulations

Corporate Governance Framework – includes all systems and processes for the management of Corporate Governance as well as the formal Code of Corporate Governance

Scheme of Corporate Governance – expresses the commitment of the two corporations sole to conduct business in an open, inclusive and accountable way

A copy of the Code of Corporate Governance is available on the Police & Crime Commissioners website at www.dorset.pcc.police.uk

The Purpose of the Corporate Governance Framework



The Corporate Governance Framework sets out the systems, processes, culture and values by which the Police & Crime Commissioner and the Chief Constable manage their affairs.

This includes their leadership arrangements, methods of engagement and accountability to the communities they serve. This enables them to monitor the achievement of strategic objectives and to consider whether appropriate, cost effective services have been delivered.

The Framework establishes a system of internal control that manages risk to an acceptable level. The risk of failure to achieve strategic objective cannot be entirely eliminated but it can be managed to provide reasonable levels of assurance. Risks to the achievement of aims and objectives are identified, prioritised and managed on an ongoing basis.

The Scheme of Corporate Governance and Scheme of Delegation set out the decision making framework, which upholds the principles of the Policing Protocol Order, designed to ensure an effective and constructive working relationship between the Police & Crime Commissioner and the Chief Constable.

The Code of Corporate Governance has been in place and available for the year ended 31 March 2023 and up to the date of approval of the annual accounts.

The Corporate Governance Framework sets out the systems, processes, culture and values by which the Police & Crime Commissioner and the Chief Constable manage their affairs.

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The Scheme of Corporate Governance and Scheme of Delegation set out the decision making framework, which upholds the principles of the Policing Protocol Order, designed to ensure an effective and constructive working relationship between the Police & Crime Commissioner and the Chief Constable.

The Code of Corporate Governance has been in place and available for the year ended 31 March 2023 and up to the date of approval of the annual accounts.

Key Elements of the Governance Framework

The Police & Crime Commissioner (PCC) and the Chief Constable are two separate legal entities, with separate statutory responsibilities. However, they work together to ensure Dorset Police is working effectively and is held accountable for the standard of service delivered to the public.

The framework sets out the strategic and operational controls that facilitate the delivery of the Police & Crime Plan objectives. The structures, processes, risk management and other internal control systems, such as codes of conduct, form part of the framework designed to manage the barriers to the achievement of the strategic plan.

The PCC is responsible for proper governance arrangements and the management of resources. This is achieved through the Strategic Management Team (SMT), which includes the statutory roles designed to deliver effective and efficient governance, namely the :

- Chief Executive (and Monitoring Officer); and
- Treasurer (and Section 151 Officer).

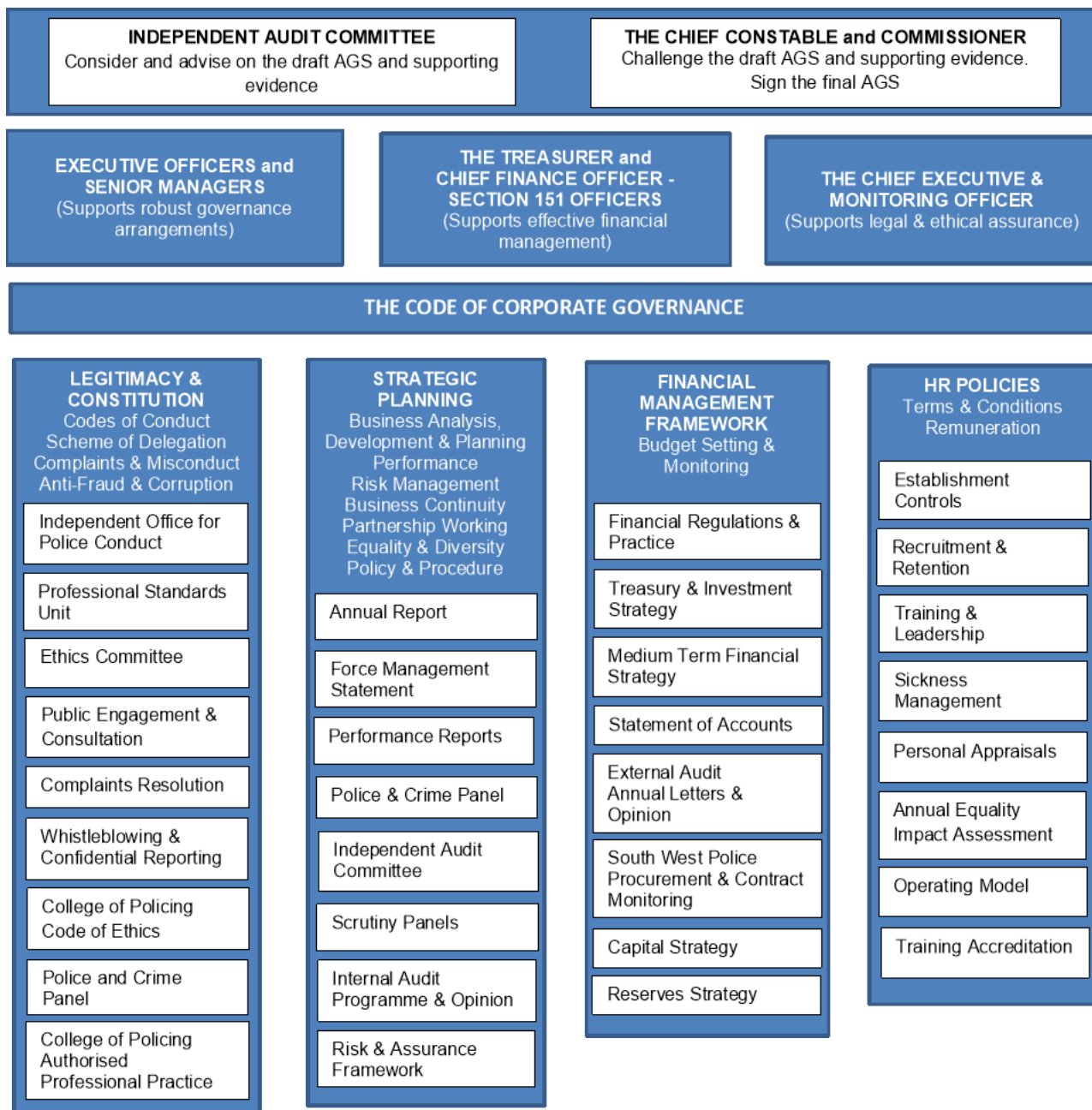
The Director of Operations also supports the Chief Executive as Deputy Monitoring Officer. The SMT meets regularly with the Force Executive at the Joint Leadership Board.

Governance arrangements are regularly reviewed by the Independent Audit Committee.

To achieve their objectives the PCC and the Chief Constable have systems and processes to regulate, monitor and control their activities. The Corporate Governance Framework sets out these in full.

The financial management arrangements for the PCC and the Chief Constable are compliant with the governance requirements set out in the [CIPFA Statement of the Role of the Chief Financial Officer in Local Government \(2015\)](#) and the [CIPFA SOLACE Delivering Good Governance in Local Government: Framework \(2016 Edition\)](#).

The Chief Finance Officer (CFO) of the Office of the Police and Crime Commissioner and the CFO of the Dorset force carry out their duties with due regard to the principles set out in the [CIPFA Role of CFO's in Policing \(March 2021\)](#).



Review of Effectiveness

Internal Audit

The internal auditors complete the annual programme of audits throughout the year. The plan is risk-based and can be changed to cover emergent risks. This process included all key financial systems with recommendations for improvement provided to the relevant manager and the Independent Audit Committee.

Based on the assurance work undertaken, the internal audit annual report on internal audit activity provided an overall “TBC” rolling assurance opinion for the year 2022-23.

Police and Crime Commissioner and Chief Constable

The PCC and Chief Constable have responsibility for conducting an annual review of the effectiveness of the governance framework, including the system of internal control.

The Audit, Insurance and Strategic Risk department manages that review. It is informed by internal and external audit, and His Majesty's Inspectorate of Constabulary, Fire and Rescue Service (HMICFRS). The Independent Audit Committee reviews elements of the governance framework throughout the year.

The review of effectiveness for 2022-23 concluded that there is substantial evidence of good governance against each of the seven CIPFA principles.

This means: the areas reviewed are adequately controlled; internal controls are in place and operating effectively; and risks against the achievement of objectives are well managed.

External Audit

The external auditor delivers an audit opinion based on their verification of the financial accounts.

During the year external audit gave an “unqualified” opinion on the Group, Police & Crime Commissioner and Chief Constable's financial statements 2021-22.

The [external audit annual report 2020-21](#), published in January 2023 provided commentary on the arrangements for securing value for money. Arrangements for financial sustainability and improving economy, efficiency and effectiveness found no significant weaknesses.

The audit of the financial statements 2022-23 has started but not yet completed.

Review of Effectiveness

Principles of Good Governance and the Annual Governance Statement

The PCC and Chief Constable remained flexible in their approach to the delivery of governance during 2022-23. The increased use of technology supported virtual meetings and provided opportunities for new and agile ways of working. The increase in home working and the reduction in travel continue to be monitored and used to assess savings, and long-term changes to priorities, programmes and strategies.

Independent Audit Committee

The [Independent Audit Committee](#) challenges and monitors financial management, performance and policies on an on-going basis. The Committee also considers the effectiveness of risk management arrangements.

Two new members joined the Committee in September 2022, bringing additional knowledge and experience of financial accounts and counter fraud. A new Chair and Vice Chair were elected.

The Committee Chair keeps issues under review through meetings with the Executive and senior managers. Virtual meetings continued throughout 2022-23.

Committee members worked together, to develop and use their knowledge and expertise, and that of others to the best effect. They have a non-political, evidence-based approach that has been proven to achieve good results. To support their roles, all Committee Members regularly reviewed and considered their training requirements.

Meeting virtually enabled the Committee to provide continuous independent scrutiny and advice. Assurance and recommendations have been provided on the adequacy of the governance and risk management frameworks, the internal control environment and financial reports.

OPCC Independent Scrutiny Panels

The OPCC manages a number of independent scrutiny panels that help the PCC hold the Chief Constable to account for services delivered to the public. Panels consist of members of the community along with representatives from the Force and OPCC.

The panels scrutinise various areas of force activity (the use of police powers and standards, out of court disposals and custody). The panels are designed to evidence good working practices and investigate areas for improvement. Key findings are submitted to Force boards, including the Dorset Joint Leadership Board if necessary, and an overview of the Panels' work is provided to the Police & Crime Panel.

There are currently three scrutiny panels and information on them is readily available on the OPCC website. The [Scrutiny Panels](#) are held as hybrid meetings, with attendees able to attend in person or virtually throughout the year.

Dorset Police and Crime Panel

The [Police & Crime Panel](#) is responsible for reviewing the Commissioner's [Police & Crime Plan](#). It holds the PCC to account for delivery of the plan objectives, reviews the appointment of the Chief Constable and statutory OPCC officers, reviews the setting of the proposed police precept, challenges the Commissioner and considers any complaints made against them.

The Dorset panel has continued to meet regularly during 2022-23 and returned to meeting in person. These meetings were broadcast live online but also recorded and made available for public viewing after the event. The public's ability to raise questions was maintained in line with the usual process. The agenda and papers for all panel meetings, including public questions raised, are available on the Police & Crime Panel website.

During 2022-23 the panel have considered:

Regular progress updates on the delivery of the Police and Crime Plan

Reports on the Estates Futures Programme, Domestic Abuse and Road Safety

Precept proposals 2023-24

The appointment of the new Dorset Chief Constable

Review of Effectiveness

Review of Effectiveness

OPCC Senior Management Team

The OPCC Senior Management Team (SMT) meets weekly, membership includes the Police and Crime Commissioner, Chief Executive, Chief Finance Officer and Director of Operations.

Members consider reports submitted by the OPCC team for information and decision. Progress is tracked on previous actions and any live “challenges” issued by the OPCC to the Force.

A weekly report is updated to record the views and decisions of the SMT and is circulated to the wider OPCC team. The agenda includes an update from the OPCC Chief Finance Officer on matters of treasury, finance, audit and risk. The SMT also take time to discuss papers and strategic issues to be raised at future boards.

The meeting also provides an opportunity for the SMT to discuss priorities, share ideas and determine areas of priority and focus.

National Assurance

As a member of the [Association of Police and Crime Commissioners](#) (APCC), the Dorset PCC is involved in a number of national portfolios and is currently the joint lead for addiction and substance misuse.

Joint Leadership Board

The PCC and Chief Constable meet with executive managers to provide leadership, set the strategic direction and monitor the governance required to achieve objectives. The Board is also responsible for financial planning and reviews the position statements provided by the executive business leads to ensure oversight across the organisation.

The Joint Leadership Board meets monthly to ensure timely and effective decision-making.

Resource Control Board

The PCC and the Chief Constable are dedicated to ensuring that resources are utilised in the most effective and efficient manner.

The Resource Control Board meets monthly to monitor the management of resources including land, property, finance, projects and people. The Board receives regular reports on workforce supply, litigation, capital monitoring and group financials, which has supported the achievement of the strategic objectives as recorded in the [Annual Report](#).

The board is responsible for ensuring all decisions are sustainable and consider the environmental agenda. This year the PCC and Chief Constable considered and agreed the headquarters rebuild project, and continue to research and invest in the purchase of electric vehicles and infrastructure.

Working Together Board

The Working Together Board continues to be the forum for making key strategic decisions, providing governance and oversight on the strategic alliance. This is a quarterly meeting of the two Chief Constables, two Police and Crime Commissioners, two Deputy Chief Constables, two Chief Executives, and four Chief Financial Officers representing the four policing legal entities (corporations sole) from Dorset and Devon & Cornwall.

The existing shared business areas are kept under regular review to ensure that the outputs being delivered meet today's needs. To ensure this, the Working Together Board has agreed that annual reviews should take place for each business area, with a focus on service delivery, sequenced so that the outputs of the review can feed into the development of the Force Management Statements for each force.

Review of Effectiveness

PRISM Board

PRISM stands for the “police response investigation and safeguarding model”.

The PRISM Board manages the key change, transformation and continuous improvement programme.

This board has continued to drive change activity to ensure the delivery of predicted benefits and monitor improvements across both Dorset and Devon & Cornwall Forces.

Financial reports are reviewed alongside local, regional and national programme updates, which includes the assessment of risks and delivery timescales.

Deputy Chief Constables Board

The Deputy Chief Constable (DCC) chairs the Deputy Chief Constables Board which is attended by Senior Managers and Chief Officers to discuss strategic planning and improvements.

The board meets monthly and considers progress on actions from the HMICFRS, items from the Continuous Improvement Board, ICT and wellbeing issues.

The DCC is also responsible for the force engagement strategies and meetings are regularly attended by Senior Managers from the Corporate Communications and Engagement team.

Partnership Working

Each unitary local authority within Dorset (Bournemouth, Christchurch and Poole Council, and Dorset Council) has its own [Community Safety Partnership](#).

The OPCC works with Dorset Police and other key statutory organisations (local authorities, the fire authority, health agencies and the probation service) alongside other key agencies to develop strategies and plans that tackle crime, disorder and drug misuse in the local area.

Improvements and benefits identified by these mandatory partnerships are monitored by the OPCC.

Key Governance Principles

Each year, the Police & Crime Commissioner and Chief Constable review governance arrangements against delivery of service.

The assessment of governance arrangements against the seven CIPFA principles of good governance (see Page 2) conducted by the Audit, Insurance and Strategic Risk department considers the effectiveness of a range of evidence from strategies, policies and procedures to independent reviews, audits and inspections.

Behaving with Integrity, demonstrating strong commitment to ethical values and respecting the rule of law

The Professional Standards Department monitors conduct and standards of behaviour. There is a robust complaints handling process with significant cases referred to the [Independent Office of Police Conduct](#) for independent review and an appeals process handled by the OPCC.

The Whistle Blowing Policy supports the confidential reporting processes and any conflicts of interest are formally managed.

Compliance to laws, regulations, policies and procedures are evidenced by the relatively low level of liability claims and legal challenge against the Force. The joint Legal Services Department provides support and advice on legal matters.

The OPCC Chief Executive has responsibilities as the Monitoring Officer for ensuring the OPCC remains compliant to laws and regulations.

They are also responsible for advising the Commissioner on policy and strategy and for guidance on the commissioning and delivery of contracted services.

The OPCC Treasurer holds statutory responsibility for the integrity of financial controls and the provision of resources and paid services. This includes financial planning and long term treasury management. The OPCC Treasurer works closely with the force Chief Finance Officer.

The OPCC Treasurer and the Force Chief Finance Officer (CFO) work closely together to ensure compliance to the governance requirements set out in the CIPFA Statement on [“The Role of the CFO of the OPCC and the CFO of the Chief Constable”](#).

A series of executive level meetings are held between the Force and OPCC to secure the most efficient use of public funds. The principles of goodwill, professionalism, openness and trust underpin their relationship.

Public consultations are undertaken to assess victim satisfaction and public confidence. This data is analysed and is used to inform strategic operational plans and support the achievement of the Police and Crime Plan objectives. Survey results are monitored quarterly and considered against the achievement of local and strategic plans.

Ensuring openness and comprehensive stakeholder engagement

The [OPCC website](#) provides the public with full details of how to best contact the PCC or the Force according to their need. The website supports openness and transparency relating to all the PCC's activities and provides links to the [Dorset Force website](#) and other multi-agency partnerships that provide direct or indirect services to the public.

There is a statutory duty for the Force and OPCC to consult openly with the public and local stakeholders to reduce crime. The OPCC publishes an [annual engagement report](#) outlining its' engagement activities.

Defining outcomes in terms of sustainable economic, social and environmental benefits

The [Police and Crime Plan](#) is the strategic plan that sets clear objectives for improved service delivery to the public. Achievement against outcomes are publicly available on the OPCC website.

[Corporate Governance](#) arrangements set out the decision making framework. Details of [strategic decisions](#) are published on the OPCC website.

The annual Force Strategic Assessment evaluates overall Force capacity and capability through demand and performance analysis.

This supports the development of sustainable operational plans that deliver the objectives of the Police & Crime Plan.

The OPCC Policy and Commissioning team work together with partner agencies to identify potential gaps in service provision, working to find sustainable solutions and commission appropriate organisations or partners to provide services in the identified areas. Progress on outcomes are published in the PCC's statutory Annual Report.

Determining the interventions necessary to optimise the achievement of intended outcomes

The Deputy Chief Constable Board considers overall Force performance against service delivery.

Commanders, senior managers and business leads are accountable for the performance of their respective business areas.

Strategic organisational objectives are benchmarked against progress on national and regional programmes, to ensure timescales and financial costs are managed to completion.

Change is managed by the Business Change Department who work alongside the OPCC to consider ideas for improvement and create a structured delivery programme.

The recommendations identified by [His Majesty's Inspectorate of Constabulary \(and the Fire and Rescue Service\)](#) are developed into action plans. Any lessons learnt are recorded and improvements implemented to increase performance and maximise the use of resources.

Developing the entity's capacity including the capability of its leadership and the individuals within it

The roles of PCC, Chief Executive and Chief Finance Officer are statutory, and the responsibilities of these roles are clearly defined according to legislation and national guidance.

All OPCC roles have job descriptions that clearly define their responsibilities, with performance and scope of these roles being regularly reviewed. Regular assessments are also undertaken to ensure future resources are well equipped to meet predicted demand.

All OPCC roles are matched to required skills within the OPCC structure. Training and recruitment plans are then developed to ensure that the right management skills are available. An annual training budget supports the development of staff capability, as identified through said plans.

Managing risk and performance through robust internal control and strong public financial management

Strategic risks are managed through an effective risk management framework, designed to provide assurance reports to the executive.

There are effective counter fraud and corruption procedures in place across both organisations with close-knit working arrangements between Professional Standards, Audit, Finance and Legal Services. Regular reports are provided to the Executive on the effectiveness of arrangements with independent scrutiny provided by the internal auditors on any weaknesses identified. This includes regular review of the controls in place to prevent financial error or fraud.

Dorset Police complete the mandatory [National Fraud Initiative](#). All irregularities are investigated and reported to the Cabinet Office who set the initiative, and are considered by the Independent Audit Committee. No incidents of fraud or corruption were detected from the matches created from the data submission in 2020-21. The matches identified for the 2022-23 initiative have been provided by the Cabinet Office and will be investigated over the financial year.

Implementing good practices in transparency, reporting and audit to deliver effective accountability

Internal audit provides objective scrutiny and assurance on the controls in place that prevent error, fraud or corruption; in line with the requirements of the [CIPFA statement on the Role of the Head of Internal Audit](#).

The Chief Constable and PCC ensure the provision of adequate resources and open access to any information required by the auditors.

The [Independent Audit Committee](#) is a key component of corporate governance. Its purpose is to provide independent assurance on the adequacy of internal controls and financial management.

External audit provides independent scrutiny of the financial arrangements and accounts. This allowed them to form an opinion on the financial statements and a commentary on the arrangements for Value for Money.

Significant Governance Issues

This statement is intended to provide reasonable assurance on governance arrangements. It is stressed that no system of control can provide absolute assurance.

In conclusion, no significant governance issues have been identified during this year's review. For completeness, the minor issues identified and recorded below will be addressed to ensure continuous improvement.

MINOR ISSUES 2021-22

PRINCIPLE	ISSUE	ACTION
Implementing good practices in transparency, reporting and audit to deliver effective accountability	That shared decision-making meets the needs of both Forces.	Carried forward: Governance arrangements across both Forces have been reviewed. However the connectivity between boards requires further clarification to ensure transparency of decisions made.
Determining the interventions necessary to optimise the achievement of intended outcomes	The development of compliance to the Code of Financial Management.	Complete: The implementation of the Code of Financial Management action plan following the resilience review.
Defining outcomes in terms of sustainable economic, social and environmental benefits	Delivering organisational compliance to the national sustainability agenda 2030	Carried forwards: To develop and progress an organisational sustainability plan.
Implementing good practices in transparency, reporting and audit to deliver effective accountability	The effectiveness of revised force governance arrangements.	Complete: The terms of reference for the force strategic boards attended by the OPCC require review.
	Corporation soles and the public are not able to challenge the finances of the organisations in a timely way due to delays with local audit delivery by Grant Thornton.	Carried forwards: Robust Internal audit and robust internal financial reporting to the Corporation soles has been put in place to mitigate this risk. In addition the publication and explanation of non audited accounts to the public remain in statutory limits, therefore the accounts will be prepared earlier for the 2021-22 financial year.
	The External Audit Annual Report 2020-21 (issued in March 2022) found governance arrangements to be effective but highlighted a significant weakness in the finance teams capacity during the 2021-22 year.	Complete: Additional resources have been made available to Finance during the 2021-22 year. Finance capacity will be further reviewed following the audit report recommendations.

MINOR ISSUES IDENTIFIED 2022-23

PRINCIPLE	ISSUE	ACTION
Implementing good practices in transparency, reporting and audit to deliver effective accountability	That shared decision-making meets the needs of both Forces.	Carry forward: Governance arrangements across both Forces have been reviewed. However the connectivity between boards requires further clarification to ensure transparency of decisions made.
Defining outcomes in terms of sustainable economic, social and environmental benefits	Delivering organisational compliance to the national sustainability agenda 2030	Carry forward: To develop and progress an organisational sustainability plan.
Implementing good practices in transparency, reporting and audit to deliver effective accountability	Corporation soles and the public are not able to challenge the finances of the organisations in a timely way due to delays with local audit delivery by Grant Thornton.	Carry forward: Robust Internal audit and robust internal financial reporting to the Corporation soles has been put in place to mitigate this risk. In addition the publication and explanation of non audited accounts to the public remain in statutory limits, therefore the accounts will be prepared earlier for the 2021-22 financial year.
Implementing good practices in transparency, reporting, and audit, to deliver effective accountability	Potential instability caused by the change in the Chief Constable and Senior Executive	Governance arrangements will continue to be monitored for effectiveness.

Opinion and signature

The Corporate Governance Framework adopted by the Police & Crime Commissioner and Chief Constable demonstrates all the elements required to support effective governance. The annual assessment of arrangements during 2022-23 has provided an overall assurance opinion of substantial.

**Police and Crime Commissioner
David Sidwick**

Dated:

**Chief Executive
Simon Bullock**

Dated:

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Dorset Police



Good Governance

Annual Governance Statement 2022-23

Scope of Responsibility

The Chief Constable is accountable in law for the exercise of police powers, and to the Police & Crime Commissioner for the delivery of efficient and effective policing, management of resources and for ensuring the public money allocated to Dorset Police is safeguarded, properly accounted for, and used economically, efficiently and effectively. She is accountable for the functions of officers and staff under her employment, direction and control.

The Police and Crime Commissioner has responsibility for the totality of policing in Dorset and is held to account by the Dorset Police and Crime Panel, which consists of representatives from the local authorities.

In executing their overall responsibilities the Police and Crime Commissioner and the Chief Constable are responsible for maintaining proper arrangements for the governance of their affairs, ensuring their functions are carried out effectively and that there is a reliable system of internal control and arrangements for managing risk.

Their respective legal duties and responsibilities are clearly defined within the following:

[Police Reform and Social Responsibility Act 2011](#)

[Policing Protocol Order 2011](#)

[Financial Management Code of Practice for the Police and Fire & Rescue Services 2018](#)

[Strategic Policing Requirement 2023](#)



To support the delivery of their legal responsibilities the Chief Constable and Police & Crime Commissioner have established a Corporate Governance Framework that includes the Code of Corporate Governance. The code is consistent with the CIPFA SOLACE **Framework for Delivering Good Governance Guidance Notes for Policing Bodies 2016**.

This statement explains compliance to the code and **the Accounts and Audit (England) Regulations 2015** requirement that all relevant bodies prepare an Annual Governance Statement.

CIPFA stands for the Chartered Institute of Public Finance and Accountancy, SOLACE is the leading members' network for local government and public sector professionals throughout the UK. SOLACE stands for the Society of Local Authority Chief Executives.

A copy of the Code of Corporate Governance is available on the Police & Crime Commissioners website at www.dorset.pcc.police.uk or can be obtained from the Head of Audit, Insurance and Risk, Dorset Police, Force Headquarters, Winfrith, Dorchester, Dorset DT2 8DZ.

The Code of Governance sets out the principles of good governance and describes the arrangements that the Chief Constable and Police & Crime Commissioner have put in place to meet each of these principles.

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		B. Ensuring openness and comprehensive stakeholder engagement
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits	D. Determining the interventions necessary to optimise the achievement of the intended outcomes	E. Developing the entity's capacity, including the capability of its' leadership and the individuals within it
F. Managing risks and performance through robust internal control and strong public financial management		G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

The Purpose of the Corporate Governance Framework

The [Corporate Governance Framework](#) sets out the systems and processes, culture and values by which the Chief Constable manages Dorset Police. This includes the leadership arrangements, methods of engagement and accountability to the communities the Force serves. This enables the Chief Constable to monitor the achievement of strategic objectives and to consider whether appropriate, cost effective services have been delivered.

The Framework establishes a system of internal control that is designed to manage risk to an acceptable level in accordance with the "risk appetite". It cannot entirely eliminate the risk of failure to achieve strategic objectives but seeks to provide reasonable rather than absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify, prioritise and manage the risks to the achievement of all aims and objectives.

In addition the Scheme of Corporate Governance and Scheme of Delegation details arrangements for decision making which uphold the principles of the Policing Protocol Order, designed to ensure an effective and constructive working relationship between the Chief Constable and the Police & Crime Commissioner.

Key Elements of the Governance Framework

Whilst the Chief Constable and the Police & Crime Commissioner (PCC) are two separate legal entities with separate statutory responsibilities, they work together to ensure Dorset Police is working effectively and is held accountable for the standard of service delivered to the public. The framework sets out the strategic and operational controls designed to facilitate the delivery of the objectives set out in the [Police & Crime Plan](#) to local communities. The structures, processes, risk management and other internal control systems, such as codes of conduct, form part of the framework designed to manage the barriers to the achievement of the strategic plan.

The Chief Constable is responsible for putting in place proper arrangements for the governance of affairs and the management of resources. This is achieved through the Force Executive, which includes the Deputy Chief Constable, Assistant Chief Constables, the Director of People and Support Services and the Section 151 Officer. The Force Executive also meets on a regular basis with the Police and Crime Commissioner and his Strategic Management Team. This team includes the Section 151 Officer, the Chief Executive, who is also the Monitoring Officer and the Director of Operations. The Force Executive and the OPCC Strategic Management Team meet regularly to review performance and the use of resources at the Joint Leadership Board and the Resource Control Board.

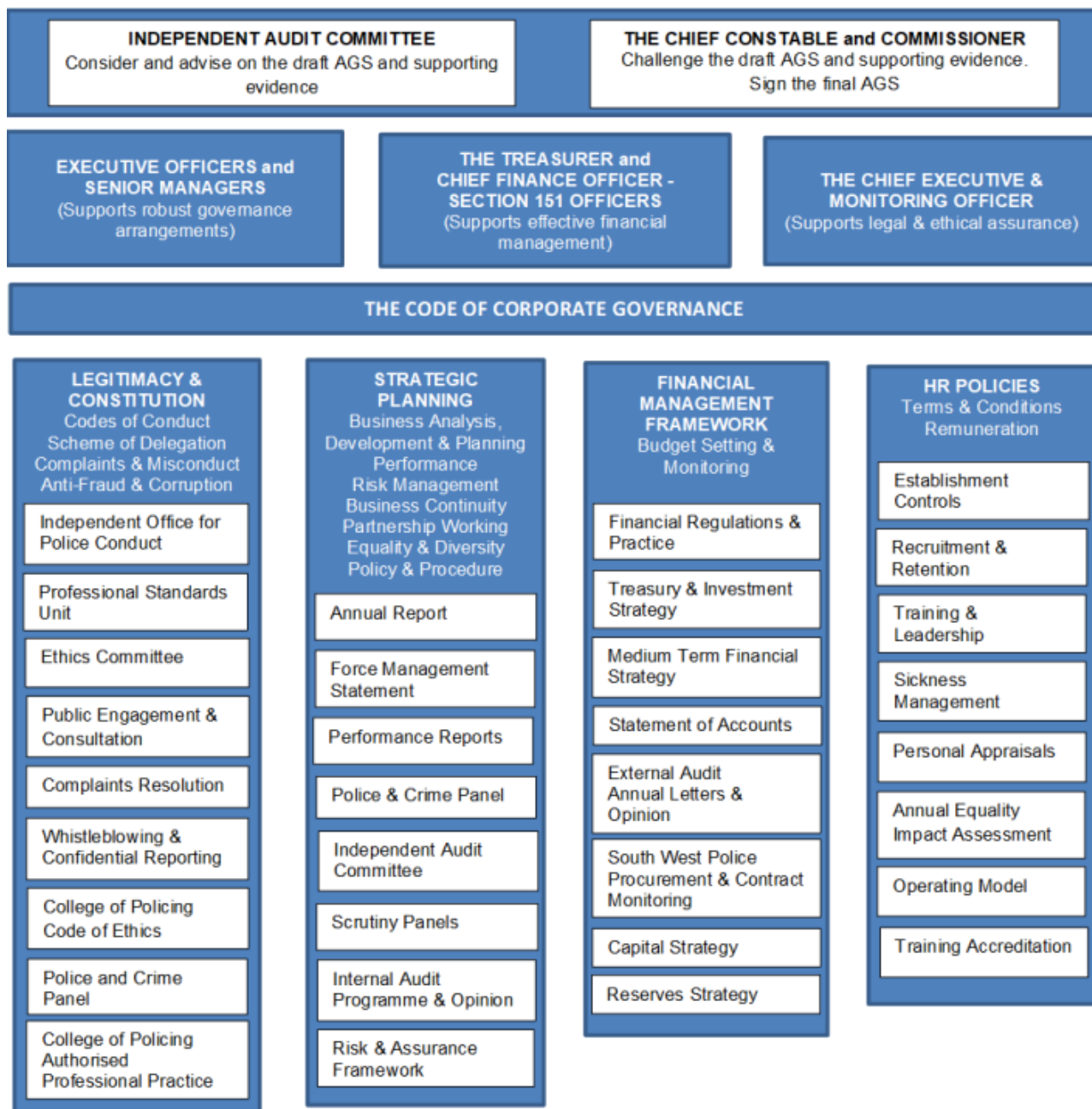
The Force Executive receives reports from a variety of other Boards, some of which include representatives from the Office of the Police and Crime Commissioner. These Boards deal with such things as ethics and standards, performance, operations, information, business and innovation. Business continuity and covid security have been a priority during the pandemic to support effective service delivery.

Governance arrangements are regularly reviewed by the Independent Audit Committee.

To achieve their objectives, the Chief Constable and the Police & Crime Commissioner have designed systems and processes to regulate, monitor and control their activities. The Corporate Governance Framework sets out the controls in full.

The financial management arrangements are compliant with the governance requirements set out in the [CIPFA Statement of the Role of the Chief Financial Officer in Local Government \(2015\)](#) and the CIPFA SOLACE Delivering Good Governance in Local Government: Framework (2016 Edition).

The Chief Finance Officer (CFO) of the Office of the Police and Crime Commissioner and the CFO for the Dorset force carry out their duties with due regard to the principles set out in the [CIPFA Role of CFO's in Policing \(March 2021\)](#).



Review of Effectiveness

Chief Constable and the Police and Crime Commissioner

The Chief Constable and Police & Crime Commissioner (PCC) have responsibility for conducting an annual review of the effectiveness of the governance framework, including the system of internal control.

The Audit, Insurance and Strategic Risk department manages that review. It is informed by internal and external audit, and His Majesty's Inspectorate of Constabulary, Fire and Rescue Service (HMICFRS). The Independent Audit Committee reviews elements of the governance framework throughout the year.

The review of effectiveness for 2022-23 concluded that there is substantial evidence of good governance against each of the seven CIPFA principles.

This means: the areas reviewed are adequately controlled; internal controls are in place and operating effectively; and risks against the achievement of objectives are well managed.

Internal Audit

The internal auditors continue to complete the annual programme of audits throughout the year. The plan is risk-based and can be changed to cover emergent risks. This process included all key financial systems with recommendations for improvement provided to the relevant manager and the Independent Audit Committee.

Based on the assurance work undertaken, the internal audit annual report on internal audit activity provided an overall "TBC" rolling assurance opinion for the year 2022-23.

External Audit

The external auditor delivers an audit opinion based on their verification of the financial accounts.

During the year External Audit gave an "unqualified" opinion on the Group, Police & Crime Commissioner and Chief Constable's financial statements 2020-21. The [external audit annual report 2020-21](#) published in January 2023 provided commentary on the arrangements for securing value for money. Arrangements for financial sustainability and improving economy, efficiency and effectiveness found no significant weaknesses.

The audit of the financial statements 2021-22 has started but not yet completed.

Review of Effectiveness

Principles of Good Governance and the Annual Governance Statement

The Chief Constable and PCC remained flexible in their approach to the delivery of governance during 2022-23. An increased use of technology supported virtual meetings and provided opportunities for new and agile ways of working. The increase in home working and the reduction in travel continue to be monitored and used to assess savings and long- term changes to priorities, programmes and strategies.

Independent Audit Committee

The [Independent Audit Committee](#) challenges and monitors financial management, performance and policies on an on-going basis. The Committee also considers the effectiveness of risk management arrangements.

Two new members joined the Committee in September 2022, bringing additional knowledge and experience of financial accounts and counter fraud. A new Chair and Vice Chair were elected.

The Committee Chair keeps issues under review through meetings with the Executive and Chief Officers. Virtual meetings continued throughout 2022-23.

Committee members worked together, to develop and use their knowledge and expertise, and that of others to the best effect. They have a non-political, evidence-based approach that has been proven to achieve good results. To support their roles, all Committee Members regularly reviewed and considered their training requirements.

Meeting virtually enabled the Committee to provide continuous independent scrutiny and advice. Assurance and recommendations have been provided on the adequacy of the governance and risk management frameworks, the internal control environment and financial reports.

Ethics Committee

The Dorset Ethics committee is independently chaired and consists of a variety of officers and staff who have volunteered to represent their colleagues.

The committee meets periodically throughout the year to discuss and debate ethical dilemmas that have been submitted by officers and staff.

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS)

The [HMICFRS](#) (police effectiveness, efficiency and legitimacy) assessments published in April 2022 rated the Force as good at preventing crime and in supporting the workforce. A number of areas were graded as adequate including, treating the public with fairness and respect, protecting vulnerable people, managing offenders and suspects.

The report detailed two areas that were graded as 'requires improvement', namely how the force is responding to the public and investigating crime. Both areas had been previously identified by the force and formed part of the Continuous Improvement Plan created at the start of 2021 and monitored by the Executive.

**Review of
Effectiveness
continued**

Resource Control Board

The Chief Constable and the Commissioner are dedicated to ensuring that resources are utilised in the most effective and efficient manner.

The Resource Control Board meets monthly to monitor the management of resources including land, property, finance, projects and people. The Board receives regular reports on workforce supply, litigation, capital monitoring and group financials, which has supported the achievement of the strategic objectives as recorded in the [Annual Report](#).

The board is responsible for ensuring all decisions are sustainable and consider the environmental agenda. This year the PCC and Chief Constable considered and agreed the headquarters rebuild project, and continued the research and investment in the purchase of electric vehicles and associated infrastructure.

Review of Effectiveness continued

National Assurance

The Chief Constable is a member of the [National Police Chiefs Council](#) (NPCC) which brings forces together to coordinate operations, reform, improve and provide value for money.

Joint Leadership Board

The Chief Constable and PCC meet with executive managers to provide leadership, set the strategic direction and monitor the governance required to achieve objectives.

The Board is responsible for financial planning and reviews the position statements provided by the executive business leads to ensure oversight across the organisation.

The Joint Leadership Board meets monthly to ensure timely and effective decision making.

Deputy Chief Constable's Board

The Deputy Chief Constable (DCC) chairs the Deputy Chief Constables Board which is attended by Senior Managers and Chief Officers to discuss strategic planning and improvements.

The board meets monthly and considers progress on actions from the HMICFRS, items from the Continuous Improvement Board, ICT and wellbeing issues.

The DCC is also responsible for the force engagement strategies and meetings are regularly attended by Senior Managers from the Corporate Communications and Engagement team.

Chief Constable and Chief Officer Engagement

The Chief Constable and the Chief Officer team regularly communicate with police officers and staff. There is a weekly General Orders publication written by the Chief Constable that reports on the delivery of priorities and changes in legislation and establishment.

Every member of the force is expected to work towards the delivery of the [Chief Constables vision](#) “to create a safe county for everyone”. This is supported by six principles linked to the objectives of the police and crime plan. The six principles are :-

- Relentless pursuit of criminality
- Putting victims first
- Exceptional local policing
- Ethical and inclusive
- Innovating, transforming and improving
- Enabling people to deliver excellence

PRISM Board

PRISM stands for the “police response investigation and safeguarding model”.

The PRISM Board manages the key change, transformation and continuous improvement programme.

This board has continued to drive change activity to ensure the delivery of predicted benefits and monitor improvements across both Dorset and Devon & Cornwall Forces.

Financial reports are reviewed alongside local, regional and national programme updates, which includes the assessment of risks and delivery timescales.

Review of Effectiveness continued

Working Together Board The 'Working Together Board' continues to be the forum for making key strategic decisions and providing governance and oversight on the strategic alliance. This is a quarterly meeting of the two Chief Constables, two Police and Crime Commissioners, two Deputy Chief Constables, two Chief Executives, and four Chief Financial Officers representing the four policing legal entities (corporations sole) from Dorset and Devon & Cornwall.

The existing shared business areas are kept under regular review to ensure that the outputs being delivered meet today's needs. To ensure this, the Working Together Board has agreed that annual reviews should take place for each business area, with a focus on service delivery, sequenced so that the outputs of the review can feed into the development of the Force Management Statements for each force.

Review of Effectiveness continued

Equality, Diversity and Inclusion Board

The Equality, Diversity and Inclusion Board meets to promote these values across the workforce, in order to better represent local communities. The equality, diversity and inclusion strategy centres on four key pillars – Represented, Respected, Involved and Protected and these form the core commitments.

The Board holds departments accountable for their responsibilities under the Equality Act 2010, monitors activity towards equality objectives and the delivery of the public sector equality duty. This information supports focus on equality issues, with the details of current initiatives recorded in the Gender Pay Gap report.

Key Governance Principles

Each year, the Chief Constable and Police & Crime Commissioner review governance arrangements against delivery of service.

The assessment of governance arrangements against the seven CIPFA principles of good governance conducted by the Audit, Insurance and Strategic Risk department considers the effectiveness of a range of evidence from strategies, policies and procedures to independent reviews, audits and inspections.

Behaving with Integrity, demonstrating strong commitment to ethical values and respecting the rule of law

The OPCC Treasurer and the Force Chief Finance Officer (CFO) work closely together to ensure compliance with the governance requirements set out in the CIPFA Statement on "[The Role of the CFO of the OPCC and the CFO of the Chief Constable](#)". A series of executive level meetings are held between the Force and OPCC to secure the most efficient use of public funds. The principles of goodwill, professionalism, openness and trust underpin their relationship.

The Professional Standards department monitors conduct and standards of behaviour. There is a robust complaints' handling process with significant cases referred to the [Independent Office of Police Conduct](#) for independent review. and an appeals process handled by the Office of the Police and Crime Commissioner. The Whistle Blowing Policy supports the confidential reporting processes and any conflicts of interest are formally managed.

The OPCC Chief Executive has responsibilities as the Monitoring Officer for ensuring the Force and OPCC remain compliant to laws and regulations. They are also responsible for advising the Commissioner on policy and strategy and for the commissioning and delivery of contracted services.

Compliance to laws, regulations, policies and procedures are evidenced by the relatively low level of liability claims and legal challenge against the Force. The joint Legal Services Department provides support and advice on legal matters.

The Force Chief Finance Officer is responsible for the integrity of financial controls and securing compliance with the [Financial Regulations](#) agreed with the OPCC Treasurer.

Public consultation and surveys are undertaken to assess victim satisfaction and public confidence. This data is analysed and used to inform strategic operational plans which support the achievement of the Police and Crime Plan objectives. Survey results are monitored quarterly and considered against the achievement of local and strategic plans.

Ensuring openness and comprehensive stakeholder engagement

The [Force website](#) provides the public with full details of how to best contact the Force according to their need. The website supports openness and transparency relating to all Force activities, and provides links to the [Dorset OPCC website](#) and other multi-agency partnerships that provide direct or indirect services to the public.

Defining outcomes in terms of sustainable economic, social and environmental benefits

The annual Force Strategic Assessment evaluates overall Force capacity and capability through demand and performance analysis. This supports the development of sustainable operational plans that deliver effective policing over the longer term.

[Corporate Governance](#) arrangements set out the decision making framework for the organisation. Details of [strategic decisions](#) jointly made by the Chief Constable and the Commissioner are published on the OPCC website.

The Commissioner's [Police and Crime Plan](#) is the strategic plan that sets clear objectives for service delivery. The Chief Constable directs and monitors the effective delivery of operational policing, whilst mindful of the long term objectives set out by the Commissioner. Information on the achievement against the strategic objectives are available to the public on the OPCC website.

Determining the interventions necessary to optimise the achievement of intended outcomes

The Commissioner and the Deputy Chief Constable jointly chair the Dorset Strategic Performance Board to consider overall Force performance against service delivery. Commanders, senior managers and business leads are accountable for the performance of their respective business areas.

The achievement of strategic organisational objectives are benchmarked against progress on the national and regional programmes, to ensure timescales and financial costs are managed to completion. Change is managed centrally by the Business Change Department, which considers ideas for improvement and creates a structured programme for delivery.

The recommendations identified by [His Majesty's Inspectorate of Constabulary \(and the Fire and Rescue Service\)](#) are developed into action plans. Any Lessons learnt are recorded and improvements implemented to increase performance and maximise the use of resources.

Strategic plans for the training of leadership and senior officers are developed, which are supported by sound financial planning and decision making.

To support this, all roles have job descriptions that clearly define their responsibilities, with appraisals completed annually to assess individual performance and to identify any personal development training requirements.

Regular assessments are completed to ensure future resources are well equipped to meet predicted demand.

Developing the entity's capacity including the capability of its leadership and the individuals within it

The roles and responsibilities of senior management, officers and staff are matched to required skills within the organisations structure. Training and recruitment plans are then developed to ensure that the right skills are available in the right place at the right time.

Managing risk and performance through robust internal control and strong public financial management

Strategic risks are managed through an effective risk management framework designed to provide assurance reports to the executive.

There are effective counter fraud and corruption procedures in place across both organisations, with close-knit working arrangements between Professional Standards, Audit, Finance and Legal Services. Regular reports are provided to the executive on the effectiveness of arrangements with independent scrutiny provided by the internal auditors on any weaknesses identified. This includes regular review of the controls in place to prevent financial error or fraud.

Dorset Police complete the mandatory [National Fraud Initiative](#).

All irregularities are investigated and reported to the Cabinet Office who set the initiative, and are considered by the Independent Audit Committee. No incidents of fraud or corruption were detected from the matches created from the data submission in 2020-21. The matches identified for the 2022-23 initiative have been provided by the Cabinet Office and will be investigated over the financial year.

Internal audit provides objective scrutiny and assurance on the controls in place that prevent error, fraud or corruption. The service is provided in line with the requirements of the [CIPFA statement on the Role of the Head of Internal Audit](#). The Chief Constable and Commissioner are required to provide adequate resources and open access to any information requested by the auditors.

Implementing good practices in transparency, reporting and audit to deliver effective accountability

The [Independent Audit Committee](#) is a key component of corporate governance. Its purpose is to review the Corporate Governance Framework and provide independent assurance on the adequacy of internal controls and financial management.

External audit provide independent scrutiny of the financial arrangements and accounts. This allows them to form an opinion on the financial statements and a commentary on the arrangements for Value for Money.

Significant Governance Issues

This statement is intended to provide reasonable assurance on governance arrangements. It is stressed that no system of control can provide absolute assurance.

In conclusion, no significant governance issues have been identified during this year's review. For completeness the minor issues identified recorded below will be addressed to ensure continuous improvement.

MINOR ISSUES IDENTIFIED 2021-22

PRINCIPLE	ISSUE	UPDATE
Implementing good practices in transparency, reporting and audit to deliver effective accountability	That shared decision-making meets the needs of both Forces.	Carried forward: Governance arrangements across both Forces have been reviewed. However, the connectivity between boards requires further clarification to ensure transparency of decisions made.
Determining the interventions necessary to optimise the achievement of intended outcomes	The development of compliance to the Code of Financial Management.	Complete: The implementation of the Code of Financial Management action plan following the resilience review.
	Delays to the HMICFRS PEEL inspections due to the pandemic have reduced assurance on the Efficiency, Effectiveness and Legitimacy of the force.	Complete: The PEEL inspections are due to resume in 2022 and any actions identified will be progressed as a priority.
Defining outcomes in terms of sustainable economic, social and environmental benefits	Delivering organisational compliance to the national sustainability agenda 2030	Carried forward: To develop and progress an organisational sustainability plan.
Implementing good practices in transparency, reporting and audit to deliver effective accountability	The effectiveness of revised force governance arrangements.	Carried forward: The terms of reference for the force strategic boards require review.
	Corporation soles and the public are not able to challenge the finances of the organisations in a timely way due to delays with local audit delivery by Grant Thornton.	Carried forward: Robust Internal audit and robust internal financial reporting to the Corporation soles has been put in place to mitigate this risk. In addition the publication and explanation of non audited accounts to the public remain in statutory limits, therefore summary accounts will be prepared earlier for the 2021-22 financial year.
	The External Audit Annual Report 2020-21 (issued in March 2022) found governance arrangements to be effective but highlighted a significant weakness in the finance teams capacity during the 2021-22 year.	Complete: Additional resources have been made available to Finance during the 2021-22 year. Finance capacity will be further reviewed following the audit report recommendations.

MINOR ISSUES IDENTIFIED 2022-23

PRINCIPLE	ISSUE	ACTION
Implementing good practices in transparency, reporting and audit to deliver effective accountability	That shared decision-making meets the needs of both Forces.	Carried forward: Governance arrangements across both Forces have been reviewed. However, the connectivity between boards requires further clarification to ensure transparency of decisions made.
Defining outcomes in terms of sustainable economic, social and environmental benefits	Delivering organisational compliance to the national sustainability agenda 2030	Carried forward: To develop and progress an organisational sustainability plan.
Implementing good practices in transparency, reporting and audit to deliver effective accountability	The effectiveness of revised force governance arrangements.	Carried forward: The terms of reference for the force strategic boards require review.
	Corporation soles and the public are not able to challenge the finances of the organisations in a timely way due to delays with local audit delivery by Grant Thornton.	Carried forward: Robust Internal audit and robust internal financial reporting to the Corporation soles has been put in place to mitigate this risk. In addition the publication and explanation of non audited accounts to the public remain in statutory limits, therefore summary accounts will be prepared earlier for the 2021-22 financial year.
	Potential instability caused by the change in the Chief Constable and Senior Executive	A review of the revised governance arrangements.
Developing the entity's capacity including the capability of its leadership and the individuals within it	Inexperienced workforce	Following the uplift programme focus on recruitment and retention will continue, potentially impacted by the cost of living crisis and the restrictions of public sector pay
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	The costs created by the national demand for the re-vetting of Police Officers and Staff.	Consideration will be given to the findings of the national review of vetting standards so that resources can be diverted to support force vetting.

**Opinion and
signature**

The Corporate Governance Framework adopted by the Chief Constable and the Police & Crime Commissioner demonstrates all the elements required to support effective governance. The annual assessment of arrangements during 2022-23 has provided an overall assurance opinion of substantial.

**Chief Constable
Amanda Pearson**

Dated:

**Chief Finance Officer
Neal Butterworth**

Dated:



AGENDA NO: 17

INDEPENDENT AUDIT COMMITTEE

DATE OF MEETING: 5 April 2023

FOIA OPEN

TITLE OF REPORT: TERMS OF REFERENCE

REPORT BY: KAREN JAMES – Head of Audit and Insurance

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	
External Audit	
Financial reporting	
Other matter (<i>please specify here</i>)	
Appendices (<i>please specify the number</i>)	1

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 In accordance with the Revised Financial Management Code of Practice for the Police Forces of England and Wales (FMCP), (Home Office 2018), the Chief Constable and PCC of Devon & Cornwall and Dorset created an independent audit committee, to act as an advisory body to them.
- 1.2 The audit committee should comprise between three and five members who are independent of the force and PCC.

- 1.3 The specified functions of the audit committee are to consider the internal and external audit reports of both the PCC and chief constable, to advise the PCC and chief constable according to good governance principles and adopt appropriate risk management arrangements in accordance with proper practices.

2. TERMS OF REFERENCE

- 2.1 The revised terms of reference for the audit committee are attached at Appendix A. They have been produced in accordance with the 2022 edition of the Cipfa document 'Audit committees: practical guidance for local authorities and police', together with the supplementary guidance'.
- 2.2 The format of the terms of reference have changed to be more descriptive in line with the Cipfa guidance however the key responsibilities have not changed.
- 2.3 Home Office guidance states the terms of reference are subject to an annual review. The next review would be April 2024.

3. WIDER SOURCES OF ASSURANCE

- 3.1 To deliver these responsibilities in addition to audit reports the Independent Audit Committee need to be mindful of reports from other inspectorates and regulator bodies such as the HMICFRS and the Information Commissioners Office (ICO).
- 3.2 Whilst operational matters are outside of the remit of the committee, the overall findings and recommendations provide assurance on the robustness of governance, risk and internal controls.
- 3.3 The Committee may also wish to consider how the work of these assurance providers is considered by external or internal audit.
- 3.4 To support this responsibility published documents from other assurance bodies will be signposted to the Committee for information, and where directly relevant to committee responsibilities formally presented.



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: April 2024