



Independent Audit Committee Annual Report

April 2020 - March 2021



Background

The purpose of the Independent Audit Committee (the Committee) is to 'provide independent advice, assurance and recommendations to the Chief Constables and Police and Crime Commissioners of Devon & Cornwall and Dorset, on the adequacy of the governance and risk management frameworks, the internal control environments and financial reporting, thereby helping to ensure efficient and effective assurance arrangements.' This is stated in the Committee's terms of reference which are reviewed and amended annually, or as necessary. The Committee achieves its purpose through formal quarterly meetings, by requesting reviews and by raising concerns with officers of the four corporations sole.

This report covers the period from April 2020 to March 2021 and is the third such report by the Committee. The single Committee provides independent advice and assurance for functions across the Forces, which is of particular benefit given the shared Alliance finance department, the shared internal audit system and the single external audit provider. The background for the single Committee covering both Force areas was given in the 2019-2020 annual report.

The period of this report starts with the first lock-down of the Covid-19 pandemic. The Committee was aware of the complexity, dynamism and vastness of demands this placed on every aspect of policing, affecting officers and staff at all levels throughout the period of the report.

The Committee considered its terms of reference and obligations to provide assurance to the four corporations sole in the light of Covid-19 and lock-down arrangements. Members agreed to take full advantage of technology for meetings, allowing secure dialogue and sharing of documents, so permitting the Committee to fulfil its role with no meetings delayed or cancelled. This did not occur in all independent audit committees for police bodies.

The Chartered Institute of Public Finance and Accountancy (CIPFA)¹ provides a framework of knowledge and skills for audit committees of police bodies. This is applied throughout the year to identify training needs and for self-evaluation. CIPFA also recommends an annual evaluation using its framework and a report to the four corporations sole against that framework. The Alliance senior audit manager completed the CIPFA evaluation framework, which informs this report.

This report is offered to the Chief Constables and Police and Crime Commissioners to add to their understanding of the role and impact of the Committee in supporting governance and providing assurance. The Committee aims to achieve maximum transparency and, following consideration by the Chief Constables and Police and Crime Commissioners, will arrange for the report to be published on the websites of the four corporations sole.

¹ Chartered Institute of Public Finance and Accountancy; Practical Guide for Local Authorities and Police, 2018 Edition

Overview of 2020/21 activity

While 2020/21 was unpredictable and challenging due to the pandemic and changing restrictions, the Committee made every effort to complete its reviews and activities. It embraced the move to virtual and paperless meetings and continued to raise concerns, offer support and challenge with the focus on improving governance within the Committee's agreed remit.

During 2020/21 the Committee's activity included consideration of 105 reports, a substantial increase over previous years, mainly due to the need to convene an extraordinary meeting in September 2020 to accommodate the delays in the external audit of accounts. Activities were wide ranging covering corporate governance, audit and financial reports, concerns about external audit arrangements and fees, sustainability issues (including the impact on personnel during the pandemic) changes to risk management and questions regarding information security.

The appendix A to this report contains the detail of the independent assessment undertaken and the findings. This assessment was completed by the Alliance senior audit manager through discussions with the Chair of the Committee and a review of Committee meeting minutes, along with other relevant documents and evidence as required.

Overall, this review and evaluation of the work of the Committee indicates continued high levels of effectiveness throughout the year. The evidence supports the independent judgements during a year of unprecedented challenge and reflects members commitment to work flexibly and achieve the Committee's purpose. The self-evaluation and independent evaluation showed alignment of judgements. Members use CIPFA Appendix D, self-assessment of good practice to self-evaluate effectiveness. Scores in this report are based on the CIPFA framework (Appendix A). Scores range from 1 to 5 with 5 being the most effective, 1 the least effective.

Since the previous report, executive administrative support was made permanent providing consistent arrangements for Committee agendas, papers and minutes.

The Committee remains committed to increasing diversity of representation of membership, as well as skills and knowledge to deliver its commitments to the four corporations sole. It recognised that the arrangements for reimbursing expenses do not encourage greater diversity of membership and provided evidence and recommendations suggesting change.

Laptop computers were issued to members from November 2020 to enable secure access and storage of information. It was unfortunate that the introduction of this technology was not smooth and therefore reduced the potential contribution to the Committee's effectiveness. However, members remained undeterred and showed considerable flexibility in carrying out their role.

The combination of significant technical issues and sickness meant that the production of this report is much delayed beyond the planned publication date. The Committee apologises for this delay

The Chair recognises the demands on all members of the Committee, including those with longer experience and more recent members and values their contributions. On behalf of the Committee, the Chair expresses gratitude to the many officers and auditors who have provided reports, information or support to the Committee. The work could not have been completed without their diligence and openness.

Promoting the principles of good governance and annual governance statements

The assessment is 5 with no change from the previous year.

The CIPFA evaluation confirms that the Committee is an established and valued part of the governance framework relied on by the four corporations sole.

A key responsibility of the Committee is to be confident that the Annual Governance Statements (AGSs) properly reflect the governance, risk and control environments of the four corporations sole. The two Forces and their respective Police and Crime Commissioners all produced AGSs. Devon & Cornwall has a joint statement, while in Dorset each corporation sole has a separate statement. The Committee's previous recommendations concerning consistency had been adopted, with the three statements using the same format. The Committee also recommended improving the readability of these documents. While all three documents were reviewed, scope to improve accessibility remains. With an open and transparent approach to sharing information, improving readability is crucial.

During the year, the Committee drew on regular internal and external audits of many aspects of corporate governance. While these will always identify areas for improvement, the Committee had no cause to doubt the commitment to continuous good governance by the four corporations sole.

The Committee welcomed the thorough review of the Code of Governance for Devon and Cornwall by the two finance officers during the year. The need for this essential work had previously been highlighted by the Committee. The Committee's comments were reflected in the draft Code prior to consideration by the Joint Leadership and Resources Board, PCC and Chief Constable. The final review of Financial Regulations and Standing Orders on Contracts could not be completed until after the year-end and the Committee was confident that these would be completed in the first part of 2021/22.

To avoid duplication of effort the two finance officers for Dorset used the draft Code of Governance for Devon & Cornwall as the basis for the review of the Dorset Code of Governance. The draft of the Dorset Code was presented to the Committee after the year-end with a final completion date of September 2021. The Committee will review governance arrangements regularly to avoid any recurrence of the previous delay in updating the Codes.

Contributing to the development of an effective control environment and supporting the quality and independence of internal audit

The assessments are 5 and 4 respectively, and remain unchanged from the previous year

Supporting the quality of internal audit activity was scored as 4, reflecting a potential to annually review the effectiveness of the internal audit provider. This is discussed in the final section of this report (Increasing effectiveness in 2021/22).

In April 2020, the Committee considered and approved the draft internal audit plan proposed by the South West Audit Partnership (SWAP). This aligned to the key components in the Force Management Statements. The internal audit plan was to provide:

- substantial coverage of finance
- reasonable coverage of ICT and information management; force functions; collaborations; and governance, fraud & risk management
- partial coverage of responding to the public, prevention and deterrence, protecting vulnerable people, force wellbeing and OPCC (specific activity).

There was no provision for coverage of investigations, managing offenders, managing serious and organised crime, or major events, as SWAP anticipated that assurance was covered by other providers. The Committee requested an assurance map to show the sources of assurance and to confirm that sufficient and appropriate assurances were provided to the corporations sole.

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

In reviewing the plan and progress reports regularly and by considering management responses and target dates for actions, the Committee gave support to internal audit and constructive challenge to the executive. Any amendments to the agreed plan during the year were reported quarterly to the Committee.

The effectiveness of the process was monitored by regular review of the implementation of agreed actions for medium and high ranked risks, management responses, and proposals for exceeding target dates. The Committee noted that its concerns about delays in implementing outstanding audit actions were addressed by closer senior management scrutiny.

The Committee was advised of the reduction of internal audit days to 330 for the financial year 2022/23 and it was confirmed that the necessary notice period for this had been agreed with SWAP. The four section 151 officers and the Chief Executive of SWAP were confident that 330 days is sufficient to provide the necessary assurance.

In July 2021, SWAP brought its annual report for the four corporations sole to the Committee. The Audit Opinion stated:

The majority of the assurance opinions resulting from Internal Audit work completed in 2020/21 were Reasonable, and giving consideration to the adequacy and effectiveness of the wider governance and risk management arrangements at the Force and OPCC, overall I am pleased to be able to offer a Reasonable Annual Opinion. There are currently no significant issues that Internal Audit is aware of which would require inclusion within the Annual Governance Statement.

Arrangements for the governance of risk

The assessment is 5 with no change from the previous year.

Until September 2020 the Joint Risk Assurance Board (JRAB) held responsibility for the monitoring of risk registers and risk arrangements for both Forces. Committee observers attended each JRAB meeting and risk management arrangements and risk registers were reviewed by the Committee.

Concerns were formally raised about the effectiveness of the JRAB and the management of risk in the Committee's previous annual reports.

The Committee sought the views of the Police Crime Commissioners and Chief Constables on risk management arrangements, advising of their concerns and the possibility of introducing a new structure.

Changes were agreed with the aim of ensuring that risk register detail was accurate, risks appropriately graded and mitigations identified and acknowledged, thus providing greater assurance to the four corporations sole.

The JRAB was disbanded and monitoring of the risk registers for all four corporations sole moved to the relevant executive boards.

The Committee's role evolved from looking at the detail of risk registers, to monitoring the risk management strategy, with the capacity to seek broader or deeper information if necessary.

It was agreed that Force executives would carry out annual 'deep dives' to provide assurance that the production, monitoring and maintenance of risk registers would be informed by rigorous deliberation and debate within Force governance structures. This approach was planned to start in Devon & Cornwall, followed by Dorset, with the first "deep dive" report due to be presented to the Committee in April 2021. However, the demands of managing the pandemic and strategic operational events led to an understandable delay.

Collaboration ensured that Alliance risks were reflected fully in the corporate risk registers of both Forces, although managing the risks remained the responsibility of the host Force for that function.

The Committee was assured that quarterly reports to the Joint Leadership Board in each Force provided an efficient and effective way of scrutinising risk management processes. The opinions of the Joint Leadership Board are shared with the Committee.

Assurance frameworks and assurance planning

The assessment is 5 with no change from the previous year

The Committee's terms of reference include the requirement to consider governance and assurance frameworks, and report on their effectiveness.

The Committee recognised the complexity of assurance frameworks and assurance planning in the four corporations sole with a number of functions delivered jointly and some collaboratively with other Forces. Reviewing, challenging and commenting on audit reports and key documents (including Annual Governance Statements, Treasury Management, Capital and Reserves Strategies) form part of the overall assurance framework and are key to the Committee's work.

In addition to reviewing documents and evidence, the Committee remained proactive in verifying that no significant gaps exist in the assurance framework. The Committee welcomed the development of assurance mapping work by the senior audit manager. This laid the foundation for an assurance process identifying the arterial threads of assurance across the structural levels of the four corporates sole.

The Committee raised questions about the coherence of audit plans in relation to regional collaboration.

The Committee is required to review the effectiveness of internal and external audit. The External Quality Assessment of Internal Audit Activity of the internal auditors, SWAP, was carried out in February 2020 and confirmed general conformance with the International Professional Practices Framework. External audit is dealt with elsewhere in this report.

Helping to implement good governance values and countering fraud and corruption

The assessment is 5 with no change from the previous year.

The Committee recognises the importance of countering fraud and corruption. To fulfil its role in this area, the Committee requested more detailed analysis of any known instances of corruption and fraud to be reported at every Committee meeting.

Details now show the type and number of new cases identified and reported to the Professional Standards and Counter Corruption Unit, including cases currently under investigation. Fraud and corruption crimes are classified as: accounting, spending, pay, claims and theft.

The Committee examined instances of fraud, their value involved and trends over time. While fraud and corruption were comparatively low in terms of the number of cases and their financial value, it is essential that, given national trends, the Committee continues to receive regular reports, challenges officers and seeks assurance about arrangements to review current anti-fraud and corruption policies.

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

The assessment remains at 5, with no change from the previous year.

The Committee takes a broad view about what constitutes robust arrangements, acknowledging that VfM can be realised when risks are well managed, the outcomes align with priorities and resources are consumed optimally. Assurance was gained from the Annual Governance Statements, risk management arrangements, internal and external audits.

In 2020/21 risk management arrangements were overhauled. Thirty-four studies reported by internal audit and an unqualified opinion by the external auditors (Grant Thornton) were used to determine proper arrangements to secure VfM in the use of resources. In all cases where issues were identified in external or internal reports follow-up arrangements ensured action and subsequent monitoring.

The external auditors' approach to examining VfM in 2021/22 will move from the present qualified/unqualified statement to an annual commentary on arrangements, published as part of the auditors' annual report. The move will provide more sophisticated judgements on performance with an emphasis on key criteria covering financial sustainability and governance matters. This is intended to provide greater assurance, as the focus is more extensive than simply the adequacy of arrangements for securing VfM.

Comparative judgements on outcomes/costs with other Force areas rely on national reports from HMICFRS. No reports were received in 2020/21, but are expected for 2021/22. The previous pattern of the Devon & Cornwall and Dorset Forces not being 'outliers' may continue, but the Committee cannot confirm this for 2020/21.

External audit and inspection

The assessment is 5 with no change from the previous year.

The role of the Committee includes considering the work of the external auditors.

Grant Thornton, the appointed external auditors for all four corporations sole, provided written reports and were represented at all Committee meetings.

2020/21 was a demanding and difficult year for every organisation due to the pandemic. Grant Thornton had to make adjustments to working arrangements, address internal resourcing difficulties while dealing with the additional national requirements to independently verify pension and property valuations in the accounts.

The difficulties in addressing these challenges resulted in a substantial delay in the issue of external audit opinions. Delays were common across the public sector and the national deadline for publication of audited accounts was extended to the end of November 2020. However, it was disappointing that despite this extended deadline,

Grant Thornton did not issue the final audit opinions for the four corporations sole of Devon & Cornwall until January 2021 and Dorset until February 2021.

The Committee raised a number of concerns about these delays. Each added considerable pressures on Alliance finance, accounting and auditing staff; weakened the accountability of public bodies to their taxpayers and undermined the Committee's capacity to provide assurance to the four corporations sole.

The Committee highlighted the achievement of constructive working relationships by finance and accounting staff with the external auditors and noted their collective commitment to work exceptionally long hours to complete the audits.

The Committee has identified that the national framework for external audit and sourcing external audit providers, currently through PSAA Ltd, needs to change. The Committee has followed and participated in national reviews of external audit procurement arrangement in the public sector and the impact on the four corporations sole. The Redmond review made far-reaching recommendations for change. These included establishing a new regulator for the public accounts sector; revision of fees to ensure adequate availability and deployment of resources; a changed deadline of September 30 for the publication of audited accounts and consideration of the scope to simplify presentation of accounts. The Committee remains a keen supporter of the principle of simplification of published accounts and welcomed the attention given to the adequacy of fees.

The Committee noted that in 2017/18 Grant Thornton tendered their audit fees for five years to end in 2022/23. Since then, areas where additional work is required, including assurances for the valuation of property and pensions, led to the PSAA agreeing some increase in Grant Thornton's fees charged to the four corporations sole. The Committee has no remit to comment on the overall fee agreed for external audit. However, it expressed concern that fees for external audit need to enable sufficient resources to be committed to the audit of accounts, so avoiding staff pressures and providing timely necessary assurance to the four corporations sole.

Promoting effective public reporting of accounts, partnership governance and accountability

The assessment is 5 with no change from the previous year.

The draft accounts were completed in line with the statutory deadline of May 31, 2021 and published in June 2021. The delays in external auditing of the accounts (see External Audit and Inspection) were recognised and concerns raised.

The Committee raised a range of issues including clarification of accounting policies; explanations for differences in the accounting treatment of similar items in the two Forces; details of the processes used to provide the 24 assurances required by the auditors.

The Committee welcomed the introduction in 2020 of 'Going Concern' reports for all public sector bodies including PCC groups. The reports provide a wide ranging and

thorough self-assessment of the major elements underpinning the financial strength of the organisation.

In October 2020, the Committee considered a report on the lessons learnt from the 2019/20 closure of accounts. Several areas of good practice were identified, alongside concerns over the valuation of pensions, timing of pension audits and some unresolved IT issues.

The major area of partnership is the joint arrangements between the Devon & Cornwall and Dorset Forces following the earlier exploration of a potential merger. Governance of these areas is dealt with along with all governance matters in the comprehensive Annual Governance Statements (AGSs).

The Committee review the AGSs in depth. In 2020 internal audit undertook a review of the AGS arrangements for the five OPCCs and Forces in the southwest region. This study identified examples of good practice as well as areas where the framework against which the statements are produced are not fully met. Findings in the report will be considered for inclusion in future AGSs.

Having reviewed all the documentation and responses from officers, the Committee was able to provide assurance over the quality and depth of financial reporting to those charged with governance, despite the diverse and extensive challenges and delays during 2020/21.

Ethical values

The assessment is 5 with no change from the previous year.

The Committee has a clear commitment to promote and monitor how the College of Policing's Code of Ethics is delivered and implemented across officers and staff. The well-established Joint Ethics Committee is regarded as a model of good practice nationally and internationally. This multi-professional group explores a wide range of ethical issues and dilemmas identified by staff and officers at all levels.

Members endeavoured to apply the Code of Ethics in carrying out their roles. This was evident at all phases of the recruitment process for members of the Committee, reflecting the commitment to understand and apply ethical values.

Members of the Committee who observed the Joint Ethics Committee were impressed by the systematic and rigorous approach to identify and deal with ethical issues. The dilemmas raised were discussed openly with no imposed decisions, covering a broad range of perspectives and showing the utmost respect to the person or team bringing the issue, regardless of their rank or role.

Administration of the Joint Ethics Committee was well organised and maintained. The comprehensive log of ethical issues recorded their nature, number submitted and actions following meetings. The issues were diverse and showed the complexity of challenges both Forces encountered in their daily work. The log showed genuine reflective intent to extend ethical discussions across the Forces.

Further developments to promote the Code of Ethics and address ethical issues include establishing a Dorset Ethics Committee, to cater for the number of ethical issues presented by their officers and staff.

Devon and Cornwall re-launched its Ethics Committee to further raise the profile of ethics in all aspects of policing. This included producing a pack of materials to support applying the Code of Ethics in decision-making situations. The Committee is reassured about ongoing improvements to extend and integrate ethical values and thinking into all aspects of policing.

Treasury management

The assessment is 5 with no change from the previous year.

The Committee continued to receive training and extensive reports on Treasury Management activities. Last year's report suggested greater use of technology to improve training and allow consideration of Treasury Management issues across both Force areas. This year, widespread use of Teams allowed this to happen, along with input by an external trainer. However, the structure and delivery of the content did not meet the learning needs of all members. The Committee would welcome a more interactive approach to Treasury Management training in 2021/22.

The Committee considered reports for both PCCs on the previous year's financial out-turn, mid-year performance and reviews of the Treasury Management Strategies (TMS). A common theme was the continuing reduction in interest rates. This had an impact in a number of areas including reduced returns and advice to lend on only a short-term basis. It also led to the requirement to amend the TMS for both organisations to provide increased flexibility in the event of the Debt Management Office applying negative interest on short-term investments.

The Committee was notified that a number of breaches of the TMS had occurred in Devon & Cornwall and Dorset in 2019/20. This was largely a result of the processes used at the time. An audit of those processes was carried out and changes made to minimise the risk of recurrence.

The Committee was able to provide assurance that the components of effective Treasury Management were in place and generally well developed; actions were taken to deal with changes in circumstances; where breaches of strategy had occurred, suitable corrective action was taken.

Environment and sustainability

Committee agendas refer explicitly to compliance with statutory requirements (diversity, inclusion, health and safety) and the Committee also paid regard to environmental and sustainability issues as part of continual improvement across the organisations.

Changes to how the Committee functioned from the start of the pandemic in April 2020 reduced its environmental impact. Working from home eliminated travel and technology enabled paperless working with the additional benefit of savings in staff time.

Strategic planning in both Forces recognised the importance of environmental and sustainability issues. The Committee was made aware of actions and developments to provide sustainable services that minimise environmental damage and change resource use. Members had seen evidence of plans turned into reality during an onsite visit to Exeter's new police station, where environmental and sustainability issues were extensively incorporated. It provides an improved workplace for officers, staff and volunteers, so helping to boost their welfare and morale.

The sustainability of people was not overlooked. The Committee was assured by the breadth and depth of activities and support from the Health and Wellbeing team to help colleagues deal with the professional and personal challenges of policing during a pandemic.

The Committee saw no complacency about identifying, preparing, implementing and delivering sustainable strategies and changing practice. Plans and strategic appointments reflected cohesive long-term approaches. Members would welcome opportunities to review strategic planning to increase environmental and sustainable policing.

Equality

The Committee members fully applied the principles of the Equality Act 2010 in their work and at meetings. These began with a request for declarations of interest, reminders about health and safety obligations, diversity and inclusion. Members took care to avoid any unlawful discrimination, harassment and victimisation at meetings and endeavoured to promote equality of opportunity and foster good relationships between all groups.

The Committee recognised that its membership lacks diversity and the current arrangement for reimbursing expenses fails to attract a broad range of the public to apply to join. Also, the current arrangement does not reflect the unique position of the Committee in its role with the four corporations sole. The Committee submitted a paper, on the principles of a more inclusive approach to remuneration and expenses, to officers in October 2020 and a decision is expected in the 2021/22 financial year.

The Committee was particularly concerned that the Annual Governance Statements (AGSs), being documents for public access, should be easy for all to read. The Committee requested that AGSs were reviewed and amended using the Plain English criteria.

It was disappointing to note that after an internal review, the documents were still challenging to read. Improving ease of reading became even more important with the move away from 'closed' papers at Committee meetings. All papers are now shared on the PCC websites, giving the public greater access and transparency. The

Committee has continued to appreciate documents which are easy-to-read, make technical language understandable and apply the criteria of Plain English. Making 'public reporting' easier to read adds to public accountability.

Membership and effectiveness; independence and accountability

The assessment is 5 with no change from the previous year.

The tenure of three of the six members ended in October 2020 and open recruitment across Dorset, Devon, Cornwall and the Isles of Scilly began in June 2020. The corporations sole had agreed that membership would be reduced from six to five members and quoracy reduced to three members. The outcome of the recruitment process was that one new member was appointed and one existing member reappointed.

Following the resignation of a committee member in December 2020, the corporations sole accepted a suggestion to co-opt an independent member, with the appropriate skills and knowledge, with tenure until the next recruitment cycle for members. The Committee's terms of reference were amended accordingly. However, membership was reduced to four until a fifth person was co-opted in February 2021.

The changes in membership during the period of this report did not reduce the knowledge and skill base, or the commitment of all members to be actively involved in a supportive team. This was particularly challenging for new members, as induction training used a blended approach of webinars, reading and mutual support from the Committee and staff. Informal meetings continued to be a valuable part of training, particularly for new members who quickly become effective members of the Committee.

The Committee's efficiency increased through the enforced move to working from home using technology. The ethos of the members was to take advantage of these opportunities, showing commitment to think flexibly and adapt. Communication with officers was sustained throughout this time, using email, telephone calls and virtual meetings. The latter were highly valued as documents could be shared and annotated during virtual meetings, adopting work habits made possible by technology. Officers and report writers received preliminary questions in advance of meetings, presentations at meetings were avoided resulting in shorter meetings. Start times of meetings were changed to allow all participants to maximise their time in the working day.

The Committee was pleased that Commissioners and Chief Constables were able to join some meetings using technology during the period of this report. While less 'personal' than face-to-face meetings, it allowed immediate communication between them and the Committee. There is however a note of caution from the Committee. In Dorset, 2021 saw the appointment of a new Commissioner and Chief Constable. The members are keen to understand fully the priorities, aims and concerns of the heads of the corporations sole. Therefore, looking ahead to times when face-to-face

meetings can resume safely, the Committee would welcome opportunities to build relationships and gain understanding.

Efforts to re-establish contact with other Police Audit Committees in the south-west were sustained, with a positive response from one county. Both Committees recognised the benefits of previous contact and resolved to maintain our efforts. The single positive response continued but did not materialise due to unforeseen issues after that county's PCC elections in May 2021. Members will continue to encourage sharing of shared issues and strengths.

The Committee's terms of reference comply with CIPFA guidance and performance review meetings use the structure of their evaluation templates. The summary of CIPFA's Appendix E is included as an appendix of this report. The appraisal of the Chair is led by one of the section 151 officers and the Chair uses the CIPFA guidance to appraise the members. The outcomes of evaluation and performance review are used to identify training needs.

Face-to-face training was not possible due to Covid restrictions and members accessed national training events using webinars. Unfortunately, the quality of these was variable and the Committee would welcome more interactive strategies for remote learning. Training on the laptop computers provided was not available until after the period of this report, meaning that the members were self-taught until then. This remained a priority for all members of the Committee until training was arranged in August 2021.

In March 2021, the Committee raised concerns about members' access to information clearly unnecessary for their role on the laptop computers provided. They raised these with the Head of Alliance Information management without delay. Subsequently, members received assurance that they had not breached data controls and there was, "no sense of impropriety on the part of members."

Planning to increase effectiveness in 2021-22

Members are keen to improve the Committee's effectiveness, using feedback from the formal assessment referred to in Appendix B, self-evaluation and feedback from officers and the corporations sole. It is recognised that 2021/22 will continue to present challenges arising from the pandemic, with additional demands on resources while delivering high-quality policing across the three counties.

The independent evaluation of the Committee's effectiveness scored 'Supporting the quality of internal audit activity, particularly by underlining its organisational independence' as 4, adding a potential development area for the Committee of an 'Annual Review of Effectiveness of Internal Audit...'.

The Committee was unsure of how to address this, the intended outcome, the intended audience, and how this would align with external scrutiny of the Internal Audit provider. One option might compare the internal audit charter and audit plan to the outcomes. A further option might be to adopt a checklist already available. The Committee will explore this further in the latter part of 2021/22.

The importance of vigilance in seeking improved performance of the external auditor, Grant Thornton, remains. While assurance about improvements will continue to be sought, the Committee is concerned that delays and slippage are likely to recur in completing the external audits.

This report describes the progress of work on local Codes of Governance elsewhere. The Committee will continue to monitor this and ensure that these are regularly reviewed.

The Committee acknowledges that the pandemic and technology issues reduced their efficiency during 2020/21 and members are committed to work diligently and overcome issues. The bespoke training planned will increase members knowledge and skills in using the technology provided. Improved efficiency and full membership give a more secure platform for the Committee to improve its effectiveness.

Collaboration with Police Audit Committees in the region will continue to be explored. However, the Committee needs to be clear about how collaboration will increase its effectiveness. One suggestion from the last regional meeting was exploring peer reviews of the audit committees and members remain open to considering this.

Maintaining informal Committee meetings will sustain the focus on areas to improve as well as allowing the Committee to respond to the changing context and demands.

In the face of unpredictable times and challenges, the Committee assures the four corporations sole of their commitment to carry out their role, work flexibly and adapt to changing circumstances. That will include changes of personnel, for example, following the PCC elections in May 2021.

David Bowles

Helen Donnellan (Chair)

Tom Grainger (Vice Chair)

Gordon Mattocks

Jo Norton

APPENDIX A

CIPFA have, within their guidance, produced the following assessment key for assisting the evaluation of the effectiveness of Audit Committees.

Key (5 = Most effective 1= Least effective)	Evidence required
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.

Assessment

The table below shows the results of the assessment of the Committee. This assessment has been completed through discussions with the Chair of the Audit Committee and a review of committee minutes along with other relevant documentation and evidence as required.

Areas where the Audit Committee can add value by supporting improvement	Overall Assessment
Promoting the principles of good governance and their application to decision making	5
Contributing to the development of an effective control environment	5
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks	5
Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively	5
Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence	4
Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements	5
Supporting the development of robust arrangements for ensuring value for money	5

Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks	5
Promoting effective public report to the authority's stakeholders and local community and measures to improve transparency and accountability	5

Appendix B

Action Plan for Improvement

As a result of the assessment carried out, the IAC may wish to consider making the following improvements to its activities, in order to improve compliance with the CIPFA guidelines detailed above.

Areas for Consideration;		
	Action Points	Comments from the Independent Audit Committee
Supporting the development of a local code of governance	The IAC should ensure assurance of a biennial review of the Local Code of Governance is presented to them going forward from 2021/2022.	The Committee welcomed the progress made in the thorough review and updating of the Code of Governance. They receive progress reports and have given feedback on drafts. The new Codes include arrangements for routine review to ensure that they remain up to date.
Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence	The IAC should prepare an Annual Review of Effectiveness for Internal Audit. This will be the preparation of a checklist and present to IAC.	IAC recognises that such a Review would provide evidence of the effectiveness of internal audit for the four corporations sole. It has contacted CIPFA about a structured evaluation tool, relevant to police bodies. If CIPFA cannot provide this by the end of the 21/22 financial year, IAC will explore other options including the Institute of Internal Audit. The intention is that an annual review of effectiveness will be carried out and contribute to the evaluation of this Committee in April/May 2022.
Reviewing the effectiveness of assurance providers, e.g., internal audit, risk management, external audit	IAC to receive a copy of the PSAA annual audit quality report for Grant Thornton when available in 2021. Seeking assurance that the performance surrounding delivery of annual accounts sign off is improved for the coming year.	The Committee consistently made clear to Grant Thornton their concerns about late delivery of annual accounts and the impact on staff. Improvement in the delivery of external audit work was not achieved and the Committee continues to seek assurance for improvement.