



Independent Audit Committee Annual Report

April 2019 – March 2020





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Background

This is the second report of the Independent Audit Committee (IAC) for the four corporations sole of Devon & Cornwall and Dorset Chief Constables and Police and Crime Commissioners (PCC). The IAC is unusual in that it covers the corporations sole for two force areas. Its formation followed the work of the two forces to develop a Strategic Alliance and subsequently undertake the development of a business case into full merger. Although the merger did not take place there is much that is common between the two forces, as well as some areas where each force learns from the approach adopted by the other. The members of the IAC believe that their ability to compare and contrast matters around governance and control is enhanced by having a remit across the two force areas.

The purpose of the IAC is, 'to provide independent advice, assurance and recommendations to the Chief Constables and PCCs of Devon & Cornwall and Dorset respectively on the adequacy of the governance and risk management frameworks, the internal control environment and financial reporting, thereby helping to ensure efficient and effective assurance arrangements,' as stated in its terms of reference. This is realised through a broad range of reviews throughout the year and providing support and challenge to areas defined in its terms of reference.

The six members of the IAC are independent and were appointed following open recruitment in 2017.

The Chartered Institute of Public Finance and Accountancy (CIPFA) knowledge and skills framework for audit committees (2018 edition) was applied throughout the year to establish training needs and for evaluation. CIPFA recommends an annual evaluation and report to the four corporations sole against that framework. This year's evaluation of the Committee's effectiveness was completed by the Senior Audit Manager for the four corporations sole.

The IAC carried out reviews and monitoring activity in line with its work programme and addressing particular matters. It offered support and challenge with the aim of improving aspects of governance as set out in its terms of reference and operating

principles. Activity during the 2019/20 financial year involved consideration of 97 reports, including audit reports and financial reports for the four organisations, challenging aspects of risk management, increasing awareness of ethics and seeking to understand issues with external audit arrangements.

This report includes the period from late January 2020 when the first cases of Coronavirus were identified in the UK, with infections and deaths increasing throughout February and March. The IAC recognises the immense additional demands on policing during this public health emergency with rapid changes being required and delivered. The IAC advised officers of their reluctance to delay or cancel the meeting scheduled for April 7, during lockdown, and held the meeting using a telephone conference call. Since then the IAC continued with 'business as usual' making extensive use of technology and remote working.

The Committee wishes to thank the officers of the Chief Constables and Police and Crime Commissioners for their support and encouragement, particularly during this challenging and unpredictable year. Committee members recognise the pressures on staff and officers during these unprecedented times.

This report is offered to the Chief Constables and Police and Crime Commissioners as a contribution to their understanding of the Committee's work in supporting governance. The Committee support actively the maximum transparency in its work and, following consideration by the Chief Constables and Police and Crime Commissioners, will arrange publication of the report on the websites of the four corporations sole.

Annual evaluation 2019/20

CIPFA has, within its guidance, produced the following assessment key for assisting the evaluation of the effectiveness of Audit Committees. This key was used to assess the effectiveness of the Independent Audit Committee (IAC) representing the four corporations sole; Devon & Cornwall PCC and CC, and Dorset PCC and CC.

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.

The evaluation results of the effectiveness of the Independent Audit Committee.

	2018/19	2019/20
Promoting the principles of good governance and their application to decision making	4	5
Contributing to the development of an effective control environment	4	5
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks	5	5
Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively	4	5
Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence	4	4
Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements	3	4
Supporting the development of robust arrangements for ensuring value for money	4	5

Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks	3	5
Promoting effective public report to the authority's stakeholders and local community and measures to improve transparency and accountability	4	5

This review and evaluation of the work of the Committee shows increased levels of effectiveness and reflects diligent work throughout the year. IAC members use the CIPFA Appendix D, self-assessment of good practice, to evaluate the Committee's effectiveness. The members agreed that the question on the adequacy of administrative support was only partly effective due to staff leaving. IAC welcomed the executive administrative support offered by the OPCC for Devon & Cornwall as an interim measure with exploration of how to make this permanent. All other questions were agreed as being covered, aligning with the judgements above.

Promoting principles of good governance and annual governance reports

The judgments of the CIPFA evaluation confirm that the IAC is now an established and well-regarded part of the governance framework for the four corporations sole. It is now judged as 5, an increase from 4 in the first year.

The 2018/19 Annual Report made clear that a key early priority for the Committee was to understand how good governance was achieved and monitored. The present IAC was established when significant effort was being made to develop the business case to merge the two forces. Notwithstanding this challenge and the eventual decision not to proceed with a merger, it is clear that efforts to maintain good governance have been sustained. The IAC continued to be represented at the Joint Risk Assurance Board by an observer, in order to maintain oversight of this critical area of governance.

One of the key responsibilities of the IAC is to ensure that the Annual Governance Statements (AGS) properly reflect the governance, risk and control environments of the four corporations. As in 2018-19 the two forces and their respective Police and Crime Commissioners (PCC) have produced AGS. In Devon and Cornwall, it is a joint statement, while in Dorset each corporation sole has produced a separate statement. It is important to recognise that the Committee's earlier recommendations concerning consistency and clarity have been adopted as all three statements have been produced to the same format. All three statements are clear, concise and easily accessible with helpful graphics that explain how internal governance operates.

During the year the Committee is assisted by regular internal and external audit reviews of many aspects of corporate governance, and while there will always be areas for improvement, the IAC has no reason to doubt the commitment to continuous good governance by all four corporations sole.

However, the IAC is concerned that the review of both OPCC Schemes of Governance, which include the Financial Regulations was not completed by the end of March 2020 and remains long overdue. The IAC's cycle of reviewing governance arrangements requires these to be considered every two years: a review of these in 2020/21, followed by another in 2022/23 and next, after the PCC elections in 2024 would provide further assurance about governance.

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

This is evaluated as 5, showing an increase from 4 in the previous year.

In April 2019, the IAC considered and approved the draft audit plan proposed by the South West Audit Partnership (SWAP) aligned to the key components set out in the Force Management Statements. The audit plan was to provide:

- substantial** coverage of finance;
- reasonable** coverage of ICT and information management, force functions and governance, fraud & risk management;
- partial** coverage of collaborations; and
- limited** coverage of protecting vulnerable people, managing serious and organised crime, force wellbeing and OPCCs.

There was no provision for coverage of responding to the public, prevention and deterrence, investigations, managing offenders or major events, as assurance is provided elsewhere. IAC requested and received an assurance map to ensure that sufficient and appropriate assurances are provided and documentation showing the sources of assurance was received. The Committee requested further work to identify specific assurance over the topics listed above as not covered by the audit plan. Agreed changes to the audit plan during the year were monitored quarterly. In addition, the Committee also reviewed the internal audit charter describing reporting arrangements to the four corporations sole and a minimum of four times a year to the IAC.

In reviewing the plan and progress reports regularly the Committee gave constructive challenge to internal audit and the executive, considering management responses and target dates for actions. SWAP was responsible for reporting on implementation of the most significant findings. Any amendments to the agreed plan were reported to the IAC with explanations of why they were necessary.

The effectiveness of the process was monitored by regular review of the extent of implementation of agreed actions for medium and high ranked risks, and management explanations and proposals for any that had not met their target dates. IAC expressed concern about the number of outstanding recommendations and in response SWAP gave a report of those. At the time of preparing this report, the Committee remains concerned at the slippage in actions agreed to meet key recommendations. The four corporations sole were advised of this concern.

The Assistant Director of SWAP, as Head of Internal Audit, submits an annual report to the Police and Crime Commissioners for Dorset and Devon & Cornwall, and the Chief Constables for Dorset and Devon & Cornwall: The IAC considered the report in July 2020. The annual report contained overall opinions of the status of risk and internal control based on the internal audit work conducted during 2019/20. SWAP summarised as follows:

‘In giving consideration to the adequacy and effectiveness of the wider governance and risk management arrangements at Dorset Police & OPCC and Devon & Cornwall Police and OPCC, overall, I am able to offer a **Reasonable** Annual Opinion. On an individual assignment level, this is defined as: *Most of the areas reviewed were found to be adequately controlled. Generally, risks are well managed, but some areas require the introduction or improvement of internal controls to ensure the achievement of objectives.*’ [Italics and quotation from SWAP annual report]

This reflects references to risk management systems referred to elsewhere in this report.

Supporting arrangements for the governance of risk and effective arrangements to manage risk

This aspect of IAC’s work is evaluated as 5, based on the evidence of actively supporting improvement and recognising weak areas, including systems and the time taken to address recommendations.

The Committee’s concern about the governance of risk led to a request that the internal auditors (SWAP) release time from other audits in 2018/19 to carry out an audit of risk management. IAC received this audit report in July 2019. Given the close interdependence of the four organisations a single assessment and audit opinion of partial assurance was provided. The audit identified some good practice, but widespread inconsistencies in the general management of risk registers. However, SWAP informed the IAC that the corporate risk registers for the two OPCCs met the benchmark standards.

The management of risk across the four organisations has been changing for some time, with a plan to align the risk registers and give greater consistency had the merger gone ahead. SWAP assess risk management using the Institute of Internal Auditors guidance on Assessing Risk Maturity; the overall status of risk management was judged as ‘Risk Defined’ with significant further work required to move the organisations to a consistent ‘Risk Managed’ position.

The inconsistencies in risk management reported by SWAP were evident to members of the IAC who observe the Joint Risk Assurance Board (JRAB) meetings. This Board met three times during the year with poor attendance, varying representation and different chairs for meetings. ‘Deep dives’ were introduced to investigate the robustness of risk management in key areas. In March 2020 a thorough and rigorous review and revision of risk management and the JRAB was

instigated to be carried out jointly by the Heads of Corporate Development and Performance Analysis for each force.

The IAC repeatedly expressed concern about the high number of priority recommendations identified by internal auditors that remain incomplete after their due date. This concern was echoed by the JRAB who considered that outstanding recommendations needed escalation to the Executive to ensure action. However, the internal auditors suggest that actions for some recommendations reflect optimistic deadlines rather than lack of management attention.

The IAC continues to review the risk registers of the four organisations regularly. The Devon and Cornwall risk registers will be reviewed three times annually, after each formal review and update by the Executive at the Joint Leadership Board (JLB). Management of Dorset risk registers is evolving, with the responsibility for maintaining the registers recently transferred to the Legitimacy Team of the Corporate Development Department. Completion of risk registers for Alliance departments continues. The IAC will continue to review the Dorset risk registers quarterly.

The IAC considers the provision of insurance as part of monitoring the effectiveness of risk management arrangements. The four organisations collaborated with others in the south west to negotiate an advantageous insurance package, which began on April 1, 2020.

Supporting the development of robust arrangements for Value for Money

The Evaluation score has risen from 4 in the previous year to 5.

HMICFRS produce Value for Money (VfM) profiles using a web-based, interactive dashboard format to provide comparative data on policing activity performance and spending in England and Wales. A summary report identifying key issues from the 2018 VfM profiles for both forces was given at the September 2019 meeting. Members explored the dashboards to identify questions for officers focusing on the use of this benchmarking to drive efficiency and improvements. This was given in December, making clear that the Resource Boards for both forces review the profiles and consider areas where the force appears to be an 'outlier'. Following challenge, the IAC was informed the VfM profiles had informed investment and procurement plans and Strategic Alliance business cases, but did not currently drive change.

Variations in staffing structures and crime recording between forces make it difficult to compare efficiency and effectiveness. CIPFA has recognised this and initiated work on Financial Excellence in Policing which includes data analytics. The presentation to IAC on data analytics was deferred (due to the Coronavirus pandemic) until the July 2020 IAC meeting.

The external auditors, Grant Thornton, include an opinion on Value for Money annually. They gave an unqualified Value for Money opinion for 2018/19 at the IAC September 2019 meeting. The joint audit letter to the PCC and Chief Constable of each force, issued on August 2, 2019 stated they, 'were satisfied that in all significant

respects the PCC and Chief Constable each put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources for the year ending 31 March 2019'. Two key Value for Money risks were identified - the scale of savings in both forces to deliver a balanced budget and the impact on not proceeding with the possible merger. The external auditors had investigated both risks and found adequate mitigation in both forces.

In September 2019, Grant Thornton, began their initial risk assessment to determine the approach to their Value for Money evaluation for the year ending 31 March 2020. The External Audit Plan was reported at the IAC meeting in April 2020. The one significant risk to obtaining Value for Money in both forces was financial sustainability, due to the scale of the continuing savings required.

Helping to implement good governance values and countering fraud and corruption

This evidence and evaluation contribute to the evaluation judgment of 5, which is significantly higher than the previous year.

The IAC is committed to the Seven Principles of Public Life and the College of Policing Code of Ethics reflecting openness and accountability. For the most part, IAC meetings are 'open', with agendas and minutes published on the OPCC websites. Where items are exempt under the Freedom of Information Act (FOIA) these are discussed in closed session. However, the IAC is careful to ensure that any exemption is justified and has, on occasions, challenged the classification of items. The Committee also asked that members receive the FOIA Exemptions Booklet to increase their understanding of the classifications.

Members of the public may observe the 'open' part of IAC meetings, but none have attended a meeting during the period of this report.

The Committee has a role in monitoring the control environment for managing exposure to, and identifying, fraud and corruption. Members' awareness of the risks of fraud and corruption were strengthened by attending training by the Counter-Fraud Manager of Devon Audit Partnership. This reinforced the role of the Committee in seeking assurance that good processes are in place and applied consistently to prevent and detect fraud and corruption. Officers gave assurance that all fraud and corruption investigations are reviewed by a chief officer in addition to being 'dip sampled' by HMICFRS.

Quarterly reports were received giving the number and nature of identified fraud cases. While the presented data gave no undue cause for concern, members sought assurance that cases are rigorously reviewed by the organisations with regard to how cases are identified, outcomes, lessons learned and used to mitigate potential risks.

The Committee also received details of the outcomes from the latest National Fraud Initiative. The annual data matching exercise provided further, independent, assurance concerning the safeguarding of public money.

Assurance frameworks and assurance planning

The IAC terms of reference include the requirement to consider governance and assurance frameworks, and report on their effectiveness. The overall assessment of this area has risen from 4 to 5.

The Committee continues to recognise the complexity of assurance frameworks and assurance planning in the four corporations sole where a number of functions are delivered jointly and some functions are delivered collaboratively with other forces in the South West. Reviewing, questioning and commenting on audit reports and key documents (such as the Annual Governance Statements and Treasury Management and Reserves Strategies) which form part of the overall assurance framework are key to the Committee's work.

In addition to reviewing agenda items from officers and auditors which provide assurance, members of the Committee have been proactive in seeking to ensure that there are no significant gaps in the assurance framework. In doing so questions were, for example, asked about the coherence of audit plans with force/OPCC risk registers and arrangements in relation to regional collaboration. Clarity was also sought about sources of assurance which do not normally fall within the remit of the IAC. In response it was agreed that the annual programme of HMICFRS reports would be presented to the committee annually for information. More importantly, the Committee welcomed the agreement to undertake a thorough mapping exercise to identify any gaps in assurance and inform future audit plans.

The Committee is required to review the effectiveness of internal and external audit. SWAP, the internal auditors was subject to an External Quality Assessment of Internal Audit Activity in order to comply with the International Professional Practices Framework in February 2020. The Committee has requested sight of this report.

External audit and inspection

The evaluation for this area has moved from 4 to 5; this reflects the IAC's sustained challenge and raising concerns to the external auditing provider and the Public Sector Audit Appointments Limited (PSAA), and is not scoring of the performance of the external auditors. PSAA sets the annual audit fees.

External audits are intended to give assurance about arrangements to secure economy, efficiency and effectiveness in the use of resources. The role of the Committee includes considering the work of the external auditors, Grant Thornton, for all four corporations sole. Reports are received throughout the year and meetings were held with the external auditors following delays in completing audits. Grant Thornton have been represented at all IAC meetings for the period of this report. Through their national work, the IAC receives welcome quarterly updates from Grant Thornton on matters affecting the police sector.

Concerns were raised about the late start for the audits of the 2018/19 year and the impact on the 2019 accounts. Although Grant Thornton gave assurance that the late

start date would not hinder the completion of audits, delays did occur. Officers informed the Committee that pressure on finance and accounting teams intensified when, days before the accounts were to be closed at the end of July 2019, Grant Thornton raised queries that required extensive and unforeseen additional work. It is believed some of these questions could have been raised earlier, as they were not related to the McCloud judgement on pensions. The Chair and vice-Chair met the external auditors seeking honest answers to enable understanding about what had happened and why, seeking to prevent recurrence and reduce frustration about not being able to obtain closure of the end of year accounts. IAC and officers share the concerns about the external auditor's resource capacity to complete the work needed within agreed timescales.

Grant Thornton gave assurances that similar delays would not recur in 2019/20. However, delays recurred with the interim audit not starting until March 9. Audited accounts for 2019/20 were not available for the July 2020 IAC meeting and are to be considered at a special meeting of the IAC in September 2020. This date is within the amended deadline of November 30 for audited accounts set by the Government in response to the pandemic.

The delays in obtaining external audits and the auditor's opinion add to pressures on finance and accounting staff and undermine IAC's capacity to provide assurance to the four corporations sole. The concerns and willingness of officers and staff to maintain constructive working relationships with the external auditors and their commitment to work exceptionally long hours to achieve the audits was noted and commended to the four corporations sole.

The IAC members and officers have serious concerns about the fees charged for external audit and the capacity of Grant Thornton to deliver the work expected for those fees. These were communicated to the PSAA by officers and the IAC Chair. They are shared by other independent audit committees in the region. All parties responded to surveys from PSAA, leading to their report in June 2020. While not within the scope of this report, the PSAA report and appendices make disappointing and depressing reading, as it appears that little will change.

HMICFRS suspended its planned inspection programme for 2019/20 early in March 2020, due to the Coronavirus pandemic. IAC will continue to monitor information from HMICFRS about the resumption of inspections, including Police, Effectiveness, Efficiency and Legitimacy (PEEL) reports, being aware of the change in approach to evidence gathering.

Promoting effective public reporting of accounts, partnership governance and accountability

The assessment for this area has risen from 4 in the previous year to 5, reflecting the breadth and depth of work.

From 2017/18, the statutory date for publication of accounts has been July 31. Despite the commitment and tenacity of all those involved, this earlier deadline proved to be a major problem for the finalisation of the accounts and financial

statements in 2018/19. The uncertainty created by the delayed legal judgement in the McCloud case meant reassessment of pension deficits and for Devon and Cornwall, because of the larger turnover, the accounts required additional audit work for inclusion into Whole of Government statements. In the event, to meet the statutory deadline, the accounts had to be published without a formal audit opinion.

The IAC was pleased, with the support of the officers and auditors and a flexible approach from Committee members, to provide challenge prior to the publication of the accounts and to encourage the formal recording of lessons learnt from the process. Officers reported their conclusions on process improvements to the Committee in September 2019.

Among the areas challenged was the transparency of staff numbers, explanations of reasons for differences in accounting treatment between Devon and Cornwall and Dorset's accounts and suggestions for further improvements in the clarity of presentation. Our work was once again aided by having a remit across all four corporations sole.

The principal partnership for all four corporations sole during the period of this report was again the joint work of the two forces, termed as Working Together. Governance arrangements were developed initially when the Strategic Alliance and possible merger was being pursued. Following the decision not to proceed with the merger, governance of the joint working has been reviewed. These remain clear and are covered in the Annual Governance Statements, the detail of which have been examined closely by the IAC, so providing further assurance over the arrangements.

Ethical values

The Committee continues to be impressed by the commitment to applying the College of Policing Code of Ethics across policing at all levels in both force areas. The development of local ethics groups reflects the level of demand to explore ethical dilemmas, along with a supportive tier for escalating local dilemmas to the Dorset and Devon & Cornwall Ethics Board. Issues can also be escalated to the South West Ethics committee and, from July 2020, to a national Board. The Committee note that the Alliance Director of Legal, Reputation and Risk is also the vice-Chair of a national operations ethics committee to deal with dilemmas arising from the Coronavirus pandemic.

The local ethics groups currently cover Cornwall, north and west Devon, Devon & Cornwall Crime/Alliance operations with others planned for Plymouth, south Devon, Exeter/mid/east Devon. In addition, a COVID-specific Joint Ethics Committee met weekly from April 4, 2020.

Dorset has a separate, independent Ethics and Appeals Committee that meets quarterly to monitor complaints, gifts and hospitality declarations and promotes good practice, including adherence to the same College of Policing Code of Ethics.

The IAC accepts the College of Policing Code of Ethics and applies ethical standards in its meetings and activity between meetings. Declarations of interest are

requested and noted at each meeting and should a conflict arise the Chair will ask the interested party/parties to leave the meeting. Given the community-minded interests of the members, it is not surprising that some are involved in organisations that have received grants through the OPCC commissioning arrangements. These are also declared and noted. The Nolan principles are applied as the Committee achieves its work as set out in its terms of reference. The annual review of the terms of reference reflects the Code of Ethics.

At the start of each meeting the Chair points out the need to adhere to the 2010 Equalities Act. The importance of respect to be shown to all those in the meeting and members of wider society is not forgotten, reflecting awareness of the rich diversity of contemporary society.

Included in the terms of reference for the IAC is to review the Annual Governance Statements, that accompany the end-of-year accounts. The advice given in response to those issued in 2019 were that, while technically appropriate, the format and content could be changed to make these documents more easily read by a member of the public, so adding to transparency and openness. Members were pleased to see that the draft Annual Governance Statements reflect this advice.

The IAC members encourage transparency and openness in public reporting, by avoiding the use of technical/profession language, acronyms and encouraging the use of Plain English.

Treasury Management

External training on Treasury Management Strategy and Risk was again provided in advance of the IAC meeting when these items were discussed. For practical reasons two sessions were held; one in each force area. This was designed to provide an opportunity for greater attendance for officers. Unfortunately, this was not achieved and the Committee believes the high quality of this training would be further enhanced if a joint session, across both force areas, could be held.

There is little doubt the training improved the Committee's effectiveness of the subsequent examination of Treasury Management activity. The Committee would welcome consideration of building on the use of technology during the Coronavirus pandemic to increase attendance at future Treasury Management training and thereby, enhance understanding, at the same time as reducing travel time and costs for those attending.

At the December 2019 IAC meeting, the IAC considered papers on Treasury Management strategy and practices, followed by a mid-year Treasury Management Report. The IAC was able to provide assurance that the components of effective Treasury Management were in place and generally well developed for all four corporations sole. The Committee sought assurance on a number of matters, including changes to the liquidity indicator, the consistency of advice across clients provided by external advisors and the appetite for risk.

Membership and effectiveness; independence and accountability

The IAC membership of six is slightly higher than the CIPFA guidance and other Independent Audit Committees for police bodies. This was agreed to reflect the Committee's work across the four corporations sole, rather than two, and at a time when there was considerable activity relating to the possible merger. Members were recruited through open advertisement. Their background and experience is diverse. Members know each other's strengths and are aware of areas where their skills or experience is limited and additional training is required.

Self-assessment and performance review meetings following CIPFA guidance are established. One of the section 151 officers leads the review of the Chair's performance. The outcomes of these meetings were reflected in a training and development plan for the IAC and individual members, as well as a dedicated focus by individual Committee members on specific subject matters.

While formal training opportunities were more limited in 2019 than in the Committee's first year, learning and development was also achieved in diverse ways. The IAC has initiated informal meetings, enabling members to gain from sharing skills, expertise and experience. The informal meeting at the Bodmin Police Hub in June 2019 gave insights into aspects of policing familiar to members from reports and demonstrated that this is a Committee for all three counties. Committee members also attend other meetings as observers, sometimes outside of their formal IAC role and this adds to their knowledge becoming part of training and development.

The Committee had hoped to achieve progress with regional peer review and support during 2019, but this has not yet materialised. The wider use of virtual meetings will be explored as a means of achieving greater interaction with other police Audit Committees in the region.

In 2019, the Committee's effectiveness and achievements between December 2017 and March 2019 were assessed independently by the Alliance audit manager, using the CIPFA framework for assessing the effectiveness of Audit Committees. This assessment was shared with officers, the PCCs and Chief Constables. This assessment was repeated in 2020 and forms part of the evidence for this report.

The IAC required close and active engagement from appropriate officers, some of whom were new to their roles during this year. It was well supported by the key statutory officers and meetings illustrate open, frank and constructive dialogue between members and officers. The level of administrative support has been referred to previously and while enthusiasm for moving to electronic working varied between the members, this is now accepted as effective and efficient working for the Committee. The Chief Constables have always encouraged the IAC to be "forward-thinking" and we endeavour to apply that approach.

The dates for IAC meetings are arranged to meet the business requirements of the organisations and in particular to be as close as possible to deadlines for publication of the accounts.

Increasing effectiveness in 2020/21

The tenure for three of the six IAC members ends before the IAC October meeting. In line with the Committee's operating principles and terms of reference, open recruitment was held during June and July 2020. The opportunity was taken to reduce membership numbers to 5, in line with CIPFA guidance and the outcome is that two members have been appointed, one of whom had stood for re-election and the other is new to IAC. Recruitment complied with all HR requirements and processes, and interviews were held using Microsoft Teams.

It is clear from the experiences gained during the Coronavirus pandemic that there will be an acceleration in the use of technology for remote meetings. It was already planned that the Committee would receive all agendas and supporting reports electronically, rather than printed papers sent by post. Subject to the necessary hardware and software being operational for Committee members, this will be trialled with full roll-out for the October IAC meeting. In addition, the chosen system will allow secure video conferencing. The Committee has already used telephone conferencing call facilities, saving time and travel expenses. Secure video conferencing is especially welcomed by Committee members, additionally so, given any future changes to the location of its members. Secure video conferencing facilities will allow ease of access to other meetings which members have observed, for example, Police and Crime Panels, ethics and risk committees.

A combined induction and refresher training programme will ensure that new and existing members receive consistent and up-to-date information and support. The Chair welcomes the move from a single day of training to a blend of training methods over a longer period. This has the benefit of information being more easily retained and applied. Such a blended approach is widespread in other sectors and is efficient as well as effective. The first stage would include providing non-confidential documents for pre-reading electronically and we suggest this could start even before the issue of force-supplied laptop computers. Subsequent stages would possibly include training using webinars and virtual meetings, and hopefully, some face-to-face interaction.

In 2020/21 the IAC intends to build on the successful development seen during 2019 through the engagement of the PCCs and Chief Constables. Each has had the opportunity to share information on their national roles in policing. This developed members' understanding of activity in the sector and allowed for discussion on the possible impact in each force area. Technology is likely to make this approach even more successful in 2020.

The work plan will provide a structure for standing agenda items. When the IAC is informed of any difficulty or delay in submitting papers or a verbal report for a meeting, the reasons for this will be sought along with how to overcome any recurrence. The draft work plan will be submitted at the October 2020 IAC meeting.

The National Audit Office issued its 'Guide for audit and risk committees on financial reporting and management during COVID-19', on June 24, 2020. It suggests that

annual reports are, 'expected to consider the period up to when the document [annual report] is published'.

If this becomes necessary an Appendix to this report will be submitted to officers in October 2020, ready for inclusion with this report. If no Appendix is necessary, the 2020/21 annual report will cover the period from the start of the Coronavirus pandemic. Potential items for that Appendix might be delays in achieving audit opinions, outcomes of the 'root and branch' review of arrangements for risk and issues arising from the Coronavirus pandemic.

Members of the Independent Audit Committee

Helen Donnellan, Chair
Tom Grainger, vice-Chair
Amanda Gallaher
Gordon Mattocks
Malcolm Smith
Linda Williams

Date: August 18, 2020