



ORIGINATOR: Chairman

SUBJECT: Audit Committee Annual Report – 1 April 2020 – 31 March 2021

SUMMARY:

The work undertaken by the Committee is presented in the Annual Audit Committee Report. This submission is for the PCC and Chief Constable to review and if required discuss with the Audit Chair.

Introduction

The purpose of the Audit Committee is to provide independent advice and recommendations to the Police and Crime Commissioner and the Chief Constable for Norfolk on the adequacy of governance and risk management frameworks, the internal control environment and financial reporting.

The Committee has an independent role to review the effectiveness of governance, risk management and control arrangements in the Office of the Police and Crime Commissioner for Norfolk (OPCCN) and in Norfolk Constabulary. It also reviews financial reporting and annual governance processes as well as the work of the internal and external auditors.

This report covers the activities undertaken by the Audit Committee at its meetings during the period from 1 April 2020 to 31 March 2021.

The Committee comprises 5 independently appointed members who have a range of backgrounds and experience. During the period, it met 4 times and these meetings usually are open to the public to attend. However, with national lockdowns and tier restrictions due to the Covid 19 pandemic meetings were held virtually with the public being asked to submit questions before the meetings and all details of the meetings on the website as usual.

Governance and Risk Management frameworks

During the year, the Committee reviewed and approved the Annual Governance Statement for the year ended 31 March 2020 which sets out the arrangements that operated to ensure effective governance in the OPCCN and the Constabulary.

This statement was published as part of the annual financial statements for the year ended 31 March 2020. It is also reviewed by the external auditor who did not raise any issues in relation to its contents as part of the annual audit process.

The Committee also supported the work of the Corporate Governance Working Group in refreshing the Corporate Governance Framework, which has been updated on the website.

At each of its meetings during the year, the Committee reviewed the strategic risks facing the OPCCN and the Constabulary, together with the actions being taken by management to manage those risks effectively. The Committee also discusses any emerging risks with representatives from the OPCCN and the Constabulary.

Internal Controls

Internal auditors have been appointed to assess and test the operation of internal controls in a number of activities based on a programme of work for the year. The Committee reviewed and agreed the internal audit plan for the 2020/2021 year and then received progress reports from the internal auditors on their work at each meeting.

The Committee also discussed individual internal audit reports with the internal audit team and with management at each of its meetings with particular emphasis on those reports where the overall conclusion was one of limited assurance.

The internal audit reports included progress in implementing agreed recommendations arising from earlier assignments. The Committee has been pleased with the recent progress that has been made by management to action recommendations. It will continue to focus on this important area.

The Committee also considered the draft internal audit strategic and annual plan for 2021/22 noting the need to address those areas of greatest risk to the delivery of the OPCCN and Constabulary objectives.

The overall conclusion from the Head of Internal Audit annual report for 19/20 was that TIAA was satisfied that, for the areas reviewed during the year, the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies had reasonable and effective risk management, control and governance processes in place.

Financial Reporting

The OPCCN and the Constabulary are required to produce annual financial statements in accordance with recognised accounting standards and which are then subject to an independent external audit.

Prior to the production of the annual accounts, the Committee reviewed the accounting policies to be used in compiling the accounts. It also reviewed the draft annual accounts before the external audit process commenced and questioned the Chief Finance Officers on a range of accounting matters that they contained.

At the conclusion of the external audit process, the Committee received a report from the external auditor which set out the results of the audit work in relation to annual accounts and the arrangements for securing value for money in the use of resources at the OPCCN and the Constabulary.

The external auditor provided unqualified opinions for the year ended 31 March 2020. The external auditor summarised all of these results in an Annual Audit Letter which was presented to the Committee and published on the OPCCN website in January 2021.

The Committee recorded its appreciation of management in achieving this positive report. It also noted the change in timescales for publishing and auditing the financial statements for 2019/20, due to the pandemic. The revised deadline of 30 November was achieved.

Other Matters

The Committee reviewed the annual Treasury Management strategy for the year ending 31 March 2021, together with an update on treasury activities during 2020/21. The strategy sets out details of the approach to managing debt and investments.

As well as its formal meetings, the Committee meets to discuss topics that are relevant to its business so that members have a greater insight into policing matters.

Topics that have been included in this programme of training and development during the year were Whistleblowing and Ethics, Norfolk 2020, going concern, Treasury management, Early Help and Scams.

The Committee also undertook a review of the skills of its members in order to identify future training and development needs. The results will influence the programme of training and development for 2021/2022

The Committee reviewed its effectiveness using the latest good practice guidance for audit committees issued by the Chartered Institute of Public Finance & Accountancy in April 2019.

The Committee reviewed the terms of reference to reflect the latest best practice and also met Internal Audit and External Audit in private, which is recommended best practice.

Rob Bennett
Chair
On behalf of the Audit Committee