



ORIGINATOR: Chairman

SUBJECT: Audit Committee Annual Report – 1 April 2021 – 31 March 2022

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 discuss with the Audit Chair. A meeting has been scheduled on 30th May 2022.

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 2021 to 31 March 2022.

The Committee comprises 5 independently appointed members who have a range of backgrounds and experience. During the period, it met 5 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 appear 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 2021 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 2021. 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 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 2021/2022 year and then received progress reports from the internal auditors on their work at each meeting. During the year out of a total of 17 internal audit results reported to the Committee 2 were substantial, 12 reasonable and 3 limited assurances.

The limited audits were for data quality, MOPI project implementation and seized monies.

The contract with TIAA, the internal auditors ended on 30 June 2021. A 7 Force Commercial services tender exercise was undertaken which members of the Committee were involved in. However, this did not result in a successful award. TIAA have been reappointed until 30 June 2022. A fresh procurement exercise is now on course again with involvement of the Committee.

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 and are interested in the follow up work especially in the areas listed above.

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 overall conclusion from the Head of Internal Audit annual report for 21/22 is anticipated to be that TIAA are 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 2021. The external auditor summarised all of these results in an Annual Audit Report which was presented to the Committee and published on the OPCCN website in January 2022.

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 2020/21, 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 2022, together with an update on treasury activities during 2021/22. 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 Policing education qualifications framework (PEQF), Norfolk 2020, Joint Justice & Criminal Justice, the Estate Strategy and Modern Work Programmes, shared services, team resilience, data quality and Public Sector Audit Appointments (PSAA) external auditor appointments.

The Committee met Internal Audit and External Audit in private, which is recommended best practice.

Rob Bennett
Chair
On behalf of the Audit Committee