



Audit Committee Report – 1 April 2018 to 31 July 2019

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.

The Committee comprises 5 independently appointed members who have a range of backgrounds and experience. During the year, it met 5 times and its meetings were open to the public to attend.

Governance and Risk Management frameworks

During the year, the Committee reviewed the draft Annual Governance Statement for the year ended 31 March 2019 which set 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. It is also reviewed by the external auditors and they did not raise any issues in relation to its contents.

At each meeting 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.

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 2018/19 year and then received progress reports from the internal auditors on their work at each meeting.

The Committee also had the opportunity to discuss individual internal audit reports with the internal audit team and with management at each of its meetings, including reports providing limited assurance. In the case of the latter, the meetings were attended by officers to provide assurance on intended actions to address recommendations. These reports also included progress in implementing agreed recommendations arising from the internal audit work.

The Committee also reviewed the internal audit annual report for the year ended 31 March 2019 and which provided a positive conclusion that there are adequate and effective management, control and governance processes in place to manage the achievement of the OPCCN and Constabulary objectives.

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.

Before the start of the external audit process, the Committee received details of the external audit plan based on the statutory responsibilities of the external auditor.

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 2019 by the national deadline of 31 July 2019. The external auditor will summarise all of these results in an Annual Audit Letter which will be published on the OPCCN website.

Other Matters

The Committee reviewed the annual Treasury Management strategy for the year ending 31 March 2019. This strategy set out details of the approach to managing debt and investments.

It also received an update on treasury management arrangements part way through the financial year.

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 included in this programme were a visit to the main Contact and Control Room in Police headquarters, risk management arrangements and budget monitoring procedures.

The Committee also meets the internal auditors and external auditors in private once a year without officers from the OPCCN and Constabulary being present. This is in line with recommended practice.

The Chartered Institute of Public Finance & Accountancy has issued guidance for audit committees in the public sector. This guidance includes a self-assessment checklist of best practice. The Committee reviewed its performance using this checklist and has produced an action plan for further improvement.

R. Bennett

Chair
On behalf of the Audit Committee
October 2019