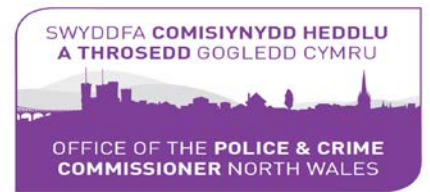




**HEDDLU GOGLEDD CYMRU**  
Gogledd Cymru diogelach

**NORTH WALES POLICE**  
A safer North Wales



# Annual Report of the Joint Audit Committee 2020 / 21

## **Annual Report of the Joint Audit Committee – 2020 / 21**

### **Index**

#### **Statement from Chair**

- 1. Overview**
- 2. Work of the Committee during 2020/21**
- 3. Internal Audit**
- 4. External Audit**
- 5. Areas of Focus**
- 6. Governance**
- 7. Risk Management & Controls**
- 8. Value for Money**
- 9. Financial Reporting**
- 10. Raising Concerns**
- 11. 2021/22 Forward Plan and Meeting Dates**

## Annual Report of the Joint Audit Committee - 2020/21

### Statement from Chair

As Committee Chair, I am pleased to present the Annual Report of the Joint Audit Committee ('the Committee'; 'the JAC') which covers activities for the period 1st April 2020 to 31st March 2021. The JAC members who served for the year under review were:-

Name
Rachel Barber
John Cunliffe
Claire Hodson
Dianne Walker

Dianne Walker and Claire Hodson gave notice in June 2020 of their intention to stand down from the JAC on 31 March 2021, after 3 years' service. I thank them and all of the committee members for their strong contribution and dedication throughout the year. A recruitment and selection process was then followed, I therefore, also welcome three new members of the JAC from 1<sup>st</sup> April 2021.

The JAC's remit involves monitoring governance, controls assurance and risk management arrangements and for overseeing the production and approval of year-end financial reports and accounts for the North Wales Police ('NWP') and the Office of the Police & Crime Commissioner ('OPCC'). In 2020/21 the impact of Covid-19, necessitated a different approach to addressing the responsibilities of the Committee and all of the related parties that assist in providing assurance both to the OPCC, the Force and the JAC. Each party rose to this challenge in order to deliver effectively and efficiently the objectives set prior to the pandemic for which I am sincerely thankful for.

During the year the JAC received reports from the internal auditors ('TIAA') on their agreed programme of inspection and reviewed progress on actions identified in their reports. During 2020/21, there were no significant issues raised by the Committee to the OPCC or NWP Chief Constable ('NWPPC').

As well as relying on the reports of the external auditors, Audit Wales, (AW) on the year end annual report and accounts for 19/20, the Committee considered all year-end documentation received from the Chief Financial Officer of the PCC and the Director of Finance & Operations of the North Wales Police ('the Finance Officers'); the Finance Officers in place for the financial year were:-

Position	Name
Chief Finance Officer - PCC	Kate Jackson
Director of Finance & Resources - NWP	Seb Phillips
Head of Finance – Deputy Finance Officer	Guto Edwards

Examples of specific activity that the JAC has undertaken to facilitate an informed identification, review and assessment of any significant issues included:

- A review of the annual financial statements, focusing particularly on accounting policies and practices including placing an emphasis on the understandability of the narrative report and Annual Governance Statement, and significant adjustments resulting from audit for the 19/20 annual report
- Receiving assurance on treasury management strategy
- Receiving assurance on the process undertaken for the development of the annual report and the annual governance statement and progress against the action plan
- Reviewing the approach to risk management and delivery of the improvements to the approach to risk management
- Reviewing the delivery of the action plan and outcomes of the Governance project to achieve effective, efficient and robust governance arrangements and structures.
- Reviewing and receiving assurance on the approach to value for money and how this is embedded within decision making and strategic action.
- Receiving assurance on the status of readiness to meet the requirements of the new CIPFA Financial Management Code
- Deep dives into the ICT Sourcing Strategy, Command and Control upgrade, the response to Covid – 19 and Cyber Security Arrangements
- Delivering against the JAC Evaluation action plan, specifically value for money.

I would like to express my appreciation to all support staff and senior officers who have assisted the JAC in meeting its responsibilities. Also I thank the external and internal auditors, the teams from the WA and TIAA respectively, for their reports and contributions to the meetings. This continued dialogue has helped develop the frameworks within the Office of the Police and Crime Commissioner and the North Wales Police Force.

**Rachel Barber**  
**Chair of Joint Audit Committee**

**April 2021**

## 1. Overview

The Joint Audit Committee is required to report annually to the Police & Crime Commissioner (PCC) and the NWP Chief Constable outlining the work it has undertaken during the year and, where necessary, highlight any areas of concern.

**Appendix 1** sets out the Committee's Terms of Reference. The Committee Membership consists of external, independent members. During the year the Force and OPCC reviewed the JAC terms of reference at its Joint Governance Board in Feb 21, with minor proposed amendments to these terms of reference currently pending final approval at the appropriate Force and OPCC forum. In the interim the Terms of Reference attached to this report remain in effect.

The purpose of the JAC is to provide independent advice and recommendations to the PCC and NWPC 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 are in place. To this end the Committee is enabled and required to have oversight of, and to provide independent review of, the effectiveness of OPCC and Force's governance, risk management and control frameworks, the financial reporting and annual governance process, and internal and external audit.

The JAC is responsible for independently reviewing the systems of governance, control, risk management and assurance. The activity of the Committee covers the whole of the organisation's governance agenda, and not just finance. The Committee also has a duty to monitor the integrity of the financial statements and related reporting.

During 2020-21 The Committee met virtually on four occasions in accordance with its planned schedule:-

- 30 July 2020
- 5<sup>th</sup> October 2020
- 10<sup>th</sup> December 2020
- 30<sup>th</sup> March 2021

As well as the scheduled meetings where members are in attendance, virtually, accept for extenuating circumstances, an additional meeting was held to provide more detailed feedback on the annual report and accounts before final sign off. There was also an annual all Wales JAC training day held virtually in the year.

Agendas, minutes and papers were made available to the public prior to all the scheduled meetings.

The External Auditors, Internal Auditors, Chief Executive, Chief Finance Officers all have a standing invitation to attend each meeting and do so on a regular basis. In addition, officers of the OPCC and Force are invited to attend as appropriate to the agenda. Details of those invited to the Committee meetings are listed in **Appendix 2**.

The Committee Members may meet with the External and Internal auditors outside of the formal

meeting schedule and an arrangement has been put in place for the Joint Audit Committee to meet with the auditors prior to each meeting without management or officers present.

### 2. Work of the Committee during 2020/21

Throughout 2020/21, the Committee reported on the nature and outcomes of its work to the Chief Constable and the Police & Crime Commissioner highlighting any areas that should be brought to their attention.

Some of the key themes featured at meetings during the year included:

- Oversight of the delivery of the action plan from the Governance Review
- Further development of the Risk Assurance processes including the Risk Appetite Statement and risk deep dives
- The approach to assuring value for money
- Responsiveness to Covid 19
- Involvement in the development of the internal audit programme, including collaborative audits
- A review of effectiveness of both the internal and external auditors.

**Appendix 3** sets out the programme of work in relation to the Internal Audit Plan undertaken in 2020/21 and the outcome of these audits, together with the planned schedule of audit for each of the years to March 2024.

A performance self-evaluation review was undertaken at the end of the JAC's first year between March and May 2019 and again in March 2020. An action plan was constructed and delivered during 2020/21. Once again an evaluation was undertaken in early 2021 with three areas identified to enhance its contribution, an action plan will be identified with the Finance Officers early in 2021/22.

### 3. Internal Audit

Throughout the course of the year, the JAC is assisted in its work by the internal audit programme which evaluates and contributes to the improvement of governance, risk management and control processes. The internal audit activity provides objective examination, evaluation and reporting on the adequacy of the system of internal control. All internal audits within the annual programme align to the Assurance Framework strategic risks which support the provision of objective assurance against the management and control of the risks. The key findings of the internal audits are reported to the Joint Audit Committee including comments on the appropriateness of key controls in relation to the risks, the strength of the assurances provided for each risk as well as the suitability of the proposed additional risk-mitigating actions.

The Committee is required to ensure that there is an effective internal audit function. This is achieved through the review and approval of the risk based internal audit and anti-fraud plans. During the reporting period the internal audit function was provided by The Internal Audit Agency (TIAA) as part of a two year contract awarded in April 2019, with the option to extend the term for a further two years. Contract arrangements beyond the current term are currently under review.

Internal audit also plays an important role in supporting the Chief Executive to ensure an effective control environment and has a clearly defined programme of work which includes advisory work in addition to audit.

The Committee continued to have oversight and input into the development of the annual internal audit programme. The Committee and other stakeholders, during 20/21, have suggested amendments to the programme which have been incorporated. Two audits were postponed during the 19/20, with the agreement of the JAC the unused days were carried forward to 2020/21 and utilised to deliver the programme.

In March 2020 the Committee reviewed and approved the 2020/21 internal audit strategy and annual internal audit plan. For the first quarter of 20/21, due to the restrictions the coronavirus placed on operating practises limited internal audit activity took place. The JAC reviewed the internal audit plan and agreed the changes reflected in the plan for delivery in the remainder of the year. The plan was delivered in a timely manner. Unused days will be carried forward to 21/22. In addition full traceability and assurance is provided to the JAC for all client briefing notes providing transparency of action taken by the Force of OPCC.

#### 4. External Audit

The external audit contract is provided by Audit Wales (AW) as appointed by the Auditor General for Wales. Declaration of auditor independence and objectivity was accepted by the Committee from AW.

There are clear policy guidelines in place around the provision of non-audit services by the External Auditor. Safeguards are in place which ensures the Committee is kept informed of the scope and value of additional work commissioned from the External Auditors. No additional non-audit work was undertaken by the External Auditors within the year.

The external auditors provided their updated view on their risk based audit approach and their key areas of focus in the year-end audit via a technical update and planning report, enabling the Committee to ask questions and seek advice as necessary. The key risks identified that might impact the financial statements in 2019/20 included Management Override of controls, McCloud Judgement and impact on pensions and IFRS16 leases, post implementation risks.

The JAC has reviewed the work of External Audit and is satisfied that the external audit service is of a sufficiently high standard and that fees are appropriate and reasonable. The external audit fee for 2020/21 was £83,866 plus VAT.

At the December meeting the JAC reviewed the request from AW to change their approach to audit through the utilisation of data analytics, whilst undertaking a consultation on future audit charges. The JAC requested further information and assurance. A briefing note was provided through presentation of slides at the March meeting. The Committee reviewed and approved the AW 2021/22 annual plan. The external audit fee will be £83,699, a slight reduction on prior year. As the JAC prepares for the work of the AW during 2021/22 the Welsh Audit identified the key risks as follows: Risk of Management Override, Impact of Covid 19 and the McCloud Judgement.

## 5. Areas of Focus

In our role as JAC members, we undertake a number of activities outside of the formal scheduled meetings on matters relating to the Committee; such as meetings with the Chief Executive, Chief Financial Officers, Members of the Senior Management Team and Internal and External Auditors and specific committee meetings relevant to a Member’s specialist areas of focus as set out below:

Name	Focus Area
Claire Hodson	Governance
Rachel Barber	Chair
John Cunliffe	IT Systems & Cyber Security & Risk
Dianne Walker, FCA	Financial reporting

## 6. Governance

The initial draft of the annual governance statement in respect of 2019-20 was received and discussed by the JAC at its meeting on 9 March 2020. Members of the JAC and Internal Audit commented on this draft in time for any amendments to be incorporated before its presentation to the JAC at its meeting on 30 July 2020. The completed and final annual governance statement was received by the JAC at its meeting on 5<sup>th</sup> October 2020. The initial draft of the annual governance statement in respect of 2020/21 Statutory Accounts was received and discussed at the meeting on 30th March 2021.

The Joint Governance Board met routinely during 2020- 2021, following its reinstatement in March 2020. Its purpose is to consider the overall joint governance framework and to ensure that the PCC and the CC fulfil their corporate governance responsibilities. The board membership comprises senior officers of both the OPCC and the Force and the Head of Internal Audit. Members of the JAC have attended some meetings of the board. The Chief Finance Officer reports to every JAC meeting on the work of the board. A number of recommendations identified during the Governance Review of 2019/20, in developing and updating governance, were monitored by the Committee during 2020/21. These were substantially completed by March 21. A review of the effectiveness of the governance structure will be undertaken in 2021 and reported through to the Joint Governance Board and subsequently information provided to JAC.

## 7. Risk Management & Controls

A member of the JAC has been nominated to liaise with the Risk Manager ahead of each meeting to discuss in detail the risk management process and risk activity. Members of the JAC have access to all the OPCC and Force risk registers before their formal meetings.

The JAC concentrates on the combined strategic risk register and seeks reassurance that it is reasonable, comprehensive and dynamic. It also checks that residual risk is in line with both organisations’ appetites for risk. At every JAC meeting members receive and review the risk management update on the organisational risk management process. The reporting has been enhanced during the year to provide succinct and more transparency to the work the Force undertakes in this area.



In order to deliver improvements, it was agreed with JAC; to build on the risk framework, ensure resources are appropriately considered and embed the approach to risk management further into the culture of the organisation. This has been monitored by the risk lead and Committee during 2020/21 and the Committee are more assured on how the Force manages risk and has embedded the approach into the organisation. In this exceptional year, managing the organisation during COVID, the force created and reported on a separate risk register for COVID whilst managing the 'normal' risk register. The risk assurance framework was delayed in rollout across the organisation, due to Covid, but has progressed. The JAC encouraged the Force to introduce formal risk appetite in 19/20. This has been reviewed and developed in 20/21 with JAC and its members providing input and scrutiny to the approach adopted.

Deep Dives have been undertaken during the year in four areas: Command and Control and ICT Sourcing strategy, Covid 19 response and Cyber Security.

### 8. Value for Money (VFM)

CIPFA guidance notes that it is the statutory responsibility of the Chief Constable to secure VFM, the Commissioner holds the Chief Constable to account for this responsibility. The role of JAC is to support both the Commissioner and Chief Constable to fulfil their responsibilities. The JAC role is to consider the arrangements to secure VFM and review assurances and assessments on the effectiveness of these arrangements. The JAC received assurance during the year on how the strategic planning cycle is at the heart of its VFM processes and the composition and utilisation of its VFM framework. It received information on savings and outcomes achieved whilst embedding VFM in all that is done.

In December WA provided 'that the PCC and CC have appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources'.

### 9. Financial Reporting

The JAC takes a holistic approach to discharging its accountability in relation to the Annual Report and Financial Statements.

Examples of specific activity that the JAC has undertaken to facilitate an informed identification, review and assessment of significant issues in relation to the 2019/20 Statutory Accounts include the following:

- Receiving briefings from the Finance Officers of the PCC and the Chief Constable who are required to bring to the attention of the Committee, on an ongoing basis, any changes to accounting policy, significant financial reporting issues, estimates and judgements, and significant transactions, ensuring the annual accounts have been prepared in accordance with accounting policies;
- the Committee reviewed the integrity of the Financial Statements prior to approval by the Police and Crime Commissioner and the Chief Constable and compliance with accounting policy and any significant adjustments;
- the Committee received reports from the Chief Finance Officers detailing breaches and waivers of the procurement process and assurance on compliance with losses and special

- payments processes;
- the Committee received and reviewed the draft Annual Report and Financial Statements in preparation for their signature, in October 2020.
- the Committee reviewed the Annual Report (including the Annual Governance Statement), Annual Financial Statements and Accounts to provide a consistency and reasonableness check;
- the Finance Officers presented to the Committee detailed papers on the annual accounts process during the year-end reporting period;
- the Committee considered the external auditor's ISA260 report and unmodified audit opinion. No differences of opinion with the key management judgements were highlighted;
- the Committee considered TIAA's opinion in relation to the overall adequacy and effectiveness of the organisation's risk management, control and governance processes, which provided overall Substantial Assurance.
- The Committee raised slippage in capital expenditure and delivery of projects to the management who ensured that the narrative report was suitably reflective of this slippage.
- The Committee made recommendations on the presentation of the report to improve understandability. Further improvements will be made for the 20/21 report.

From its work the JAC was able to conclude that:

- the Annual Report and Financial Statements represented a fair and reasonable view of the Police and Crime Commissioner's and Chief Constable's financial position;
- there were no significant accounting policy changes;
- the financial statements were compliant with financial reporting standards;
- areas requiring significant judgements in applying accounting policies had been reviewed;
- there were no significant or unusual transactions in the year.

At the March 2021 meeting the Committee received assurance of the progress and compliance with the CIPFA Financial Management Code. The year for compliance is 21/22. The Committee will receive reports during 21/22 providing further assurance.

### **10. Raising Concerns**

The Force aims to create an environment where staff feels it is safe to raise and discuss concerns and weaknesses openly so that the appropriate responding action plans can be established and monitored through to implementation. During 2020/21, the JAC received assurance against the system for raising concerns as part of its schedule of business. This will continue into 2021/22.

### **11. 2021/22 Forward Plan and Meeting dates**

During 2021/22 the JAC will deliver upon its Terms of reference and more specifically:

- Track and review the final actions from the Governance review action plan and support further improvement
- Shine a spotlight on the work of the ethics committee and develop the work of the Committee to support this area
- Seek assurance of compliance with the Financial Management Code and guide further

## Annual Report of the Joint Audit Committee – 2020/ 21

improvements in financial presentation to aid understanding

- Continue to review how value for money is achieved.
- Support management to develop its approach to risk and embedding this into the organisation.
- Pursue assurance on the effectiveness of its Governance Structure
- Deliver the action plan derived from its annual self-evaluation effectiveness review

The JAC has four meetings planned during 2021-22 financial year:-

- 4<sup>th</sup> August 2021
- 6<sup>th</sup> October 2021
- 8<sup>th</sup> December 2021
- 28<sup>th</sup> March 2022

## Appendix 1 – Terms of Reference

### Terms of Reference of the Joint Audit Committee

#### 1. Statement of purpose

- 1.1 The Joint Audit Committee is a key component of the corporate Governance of the Police and Crime Commissioner (PCC) and Chief Constable (CC) for North Wales. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- 1.2 The purpose of the Joint Audit Committee is to provide independent advice and recommendation to the PCC and CC 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 are in place. To this end the Committee is enabled and required to have oversight of, and to provide independent review of, the effectiveness of the Office of the Police and Crime Commissioner's (OPCC) and Force's governance, risk management and control frameworks, the financial reporting and annual governance process, and internal and external audit.
- 1.3 These terms of reference summarise the core functions of the Committee in relation to the OPCC and to the Force and describe the protocols in place to enable it to operate independently, robustly and effectively.

#### 2. Governance, risk and control

- 2.1 The Committee will provide advice and recommendations to the PCC and CC in relation to the following areas:
  - 2.1.1 Review the corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.
  - 2.1.2 Review the annual corporate governance statements prior to approval and consider whether they properly reflect the governance, risk and control environment and supporting assurances and identify any actions required for improvement.
  - 2.1.3 Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
  - 2.1.4 Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPCC and Force.
  - 2.1.5 Monitor the effective development and operation of risk management, review the risk profile, and monitor the progress of the PCC and CC in addressing risk-related issues reported to them (individual Force operational risks are specifically excluded from the remit of the Joint Audit Committee).
  - 2.1.6 Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
  - 2.1.7 Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter fraud strategy, actions and resources.
  - 2.1.8 To review the governance and assurance arrangements for significant partnerships or collaborations.
  - 2.1.9 The PCC nominate the Joint Audit Committee to be responsible for ensuring

effective scrutiny of the Treasury Management Strategy and Policies.

### **3. Internal Audit**

- 3.1 The Committee will provide advice and guidance to the PCC and CC in relation to the following areas:
  - 3.1.1 Annually review the internal audit charter and resources.
  - 3.1.2 Review the internal audit plan and any proposed revisions to the internal audit plan.
  - 3.1.3 Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence.
  - 3.1.4 Consider the head of internal audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements.
  - 3.1.5 To consider the head of internal audit's statement of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.
  - 3.1.6 Consider summaries of internal audit reports and such detailed reports and the Committee may request from the PCC and Cc, including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions.
  - 3.1.7 Consider a report on the effectiveness of internal audit to support the Annual Governance Statement as required by the Accounts and Audit Regulations (Wales) 2014.
  - 3.1.8 To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To make recommendations on safeguards to limit such impairments and periodically review their operation.

### **4. External audit**

- 4.1 The Committee will provide advice and recommendations to the PCC and CC in relation to the following areas:
  - 4.1.1 Support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by the Auditor General or Wales Audit Office.
  - 4.1.2 Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.
  - 4.1.3 Consider the external auditor's annual management letter, relevant reports and the report to those charged with governance.
  - 4.1.4 Consider specific reports as agreed with the external auditor.
  - 4.1.5 Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

### **5. Financial Reporting**

- 5.1 The Committee will provide advice and recommendations to the PCC and CC in relation to the following areas:
  - 5.1.1 Review the annual statements of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the PCC or CC.

- 5.1.2 Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements.

**6. Accountability arrangements**

6.1 The Committee will:

- 6.1.1 On a timely basis report to the PCC and CC with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.
- 6.1.2 Report to the PCC and CC on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.
- 6.1.3 Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the PCC and CC.
- 6.1.4 Publish an annual report of the work of the Committee.

**7. General**

- 7.1 The Committee will comprise five independent members, who are independent of both the OPCC and Force.
- 7.2 The quorum for the Committee will be at least three independent members.
- 7.3 The committee will meet at least four times each year. Additional meetings may be arranged by exception to discuss matters of urgent concern.

Appendix 2 – Officers Invited to Joint Audit Committee

<b>FORCE OFFICERS:</b>	
Seb Phillips	Director of Finance and Resources
Guto Edwards	Head of Finance
Helen Williams	Financial Control Accountant
T/Chief Super Sian Beck	Corporate Services
Anne Matthews	Finance and Budgets Officer
Philip Kenyon	Force Solicitor
<b>OFFICE OF THE POLICE AND CRIME COMMISSIONER:</b>	
Stephen Hughes	Chief Executive Officer
Kate Jackson	Chief Finance Officer
Angharad Jones	PA to the Chief Executive
<b>By Invitation</b>	
Derwyn Owen	Audit Wales
Michelle Phoenix	Audit Wales
Helen Cargill	TIAA

## Annual Report of the Joint Audit Committee – 2020/ 21

### Appendix C: Progress against work plan 2020-2021

System	Planned Quarter	Current Status	Comments
<b>Collaborative – Pan Wales</b>			
Risk Management – Mitigating Controls	2	Final report issued 7 <sup>th</sup> January 2021	Presented to March 2021 JAC
Vetting of Contractors	2	Final report issued 4 <sup>th</sup> September 2020	Presented to October 2020 JAC
Collaborative Project Review – Office 365 (part of National Enabling programme)	2	Final report issued 17 <sup>th</sup> February 2021	Presented to March 2021 JAC
Collaborative Budgetary Control	3	Draft report issued 22 <sup>nd</sup> December 2020	Lead force = South Wales
Procurement	3	Draft report issued 14 <sup>th</sup> January 2021	It was agreed that North Wales will be considered separately from the collaborative audit which is focusing on the Joint Procurement Unit that is being established in South Wales.
Strategic Resource Planning	3	Planned start 1 <sup>st</sup> March 2021	Fieldwork ongoing
Collaborative Project Review – Early Action Together (Adverse Childhood Experiences ACES Project)	4	Cancelled	North Wales Police have decided not to participate in this review as the project is no longer funded. An alternative option – Cyber Security of Pensions has been suggested.
Liaison with Audit Wales	1-4		Attendance at Police Practitioner Group meetings
<b>North Wales Only</b>			
Governance – Collaborations	1	Cancelled	Cancelled at the request of Management
Counter Fraud – Anti-Fraud Procurement	1	Final report issued 13 <sup>th</sup> November 2020	Presented to December 2020 JAC
Organisational Development	1	Final report issued 6 <sup>th</sup> November 2020	Presented to December 2020 JAC
Pensions	2	Final report issued 10 <sup>th</sup> November 2020	Presented to December 2020 JAC
Expenses and additional payments	2	Final report issued 11 <sup>th</sup> November 2020	Presented to December 2020 JAC
Infrastructure Review	2	Planned for 1 <sup>st</sup> December 2020	Fieldwork ongoing



## Annual Report of the Joint Audit Committee – 2020/ 21

System	Planned Quarter	Current Status	Comments
Data Assurance	2	Final report issued 10 <sup>th</sup> December 2020	Presented to March 2021 JAC
Contract Management	2	Cancelled	Cancelled at the request of Management
Eastern Area – Command Unit	2 4	Site worked commenced 15 <sup>th</sup> February 2021	Fieldwork ongoing
Property Subject to Charge	2	Planned for the end of April 2021	Deferred due to Covid-19 pandemic
Treasury Management	3	Final report issued 24 <sup>th</sup> August 2020	Presented to December 2020 JAC
General Ledger	3	Final report issued 4 <sup>th</sup> November 2020	Presented to December 2020 JAC
Payroll	3	Final report issued 13 <sup>th</sup> November 2020	Presented to December 2020 JAC
Creditors	3	Final report issued 11 <sup>th</sup> February 2021	Presented to March 2021 JAC
Fleet Management – Fuel Usage	3	Final report issued 18 <sup>th</sup> February 2021	Presented to March 2021 JAC
Fleet Management Strategy	4	Deferred to 2021-22	
Fleet Management - Repairs	4	Planned for 8 <sup>th</sup> March 2021	Days to be utilised from cancelled audits
Procurement	4	Planned for 24 <sup>th</sup> March 2021	
ICT Change Management	4	Planned for 11 <sup>th</sup> January 2021	APM issued
Collaborative approach	1-4	See above	
Follow-up	4	Final report issued 2 <sup>nd</sup> March 2021	Presented to March 2021 JAC
Contingency	1-4		
Annual Planning	1		
Annual Report	4		
Management	1-4		

**KEY:**

	To be commenced		Site work commenced		Draft report issued		Final report issued
--	-----------------	--	---------------------	--	---------------------	--	---------------------

## Annual Report of the Joint Audit Committee – 2020/ 21

### Rolling Strategic Plan

Review Area	Type	2021/22	2022/23	2023/24
<b>Governance and Risk Management</b>				
Strategic Planning	Assurance	10		
Performance Management	Assurance	10		
Health and Safety Management	Assurance	10		
Corporate Communications	Assurance		10	
Community Engagement	Assurance		10	
Collaborations	Assurance			10
Strategic Resource Planning	Assurance			10
Risk Management Mitigating Controls	Compliance	6	6	6
<b>ICT reviews</b>				
Network Security	Assurance	8		
Data Protection	Assurance	6		
Cyber Security	Assurance		8	
Pensions – Cyber Security	Assurance	5		
Change Management	Assurance		8	8
Infrastructure Review	Assurance			8
Data Assurance	Assurance			8
<b>Finance</b>				
Budgetary Control	Assurance	*	6	6
General Ledger	Assurance	*	6	6
Payroll	Assurance	*	10	10
Creditors	Assurance	*		6
Debtors	Assurance	*		

## Annual Report of the Joint Audit Committee – 2020/ 21

Review Area	Type	2021/22	2022/23	2023/24
Pensions - All Wales Pension Board	Assurance	*		
Pensions	Assurance		8	
Expenses and Additional Payments	Assurance		8	
Treasury Management	Assurance	*	4	4
Fixed Assets	Assurance	6		
Capital Programme	Assurance	8	8	
Counter-Fraud	Compliance	*	6	6
<b>Estates and Fleet</b>				
Fleet Management - Fleet Strategy	Assurance	6		
Fleet Management - Repairs	Compliance			5
Fleet Management - Fuel	Compliance		6	
Estates Management - Delivery	Compliance		6	
Estates Management - Strategy	Assurance			6
<b>Operational</b>				
Central Area – Command Unit	Compliance		8	
Western Area – Command Unit	Compliance	8		
Eastern Area – Command Unit	Compliance			8
Contract Management	Assurance	6	6	6
Property Subject to Charge	Compliance		6	
Vetting	Compliance		6	
Commissioner’s Grants	Assurance	6		
Procurement	Assurance			8
<b>Workforce Management</b>				
HR Management – Strategy	Assurance	10		

## Annual Report of the Joint Audit Committee – 2020/ 21

Review Area	Type	2021/22	2022/23	2023/24
Wellbeing and Strategy	Assurance		10	
Organisational Development	Assurance			7
Occupational Health Unit	Assurance	5		
<b>Collaborative Reviews</b>				
Budgetary Control	Assurance	5	*	*
General Ledger	Assurance	5		
Payroll	Assurance	6		
Creditors	Assurance	5		
Debtors	Assurance	5		
Counter-Fraud	Compliance	5		
Treasury Management	Assurance	4		
All Wales Pension Hub	Assurance	5		
Safety Camera Partnership	Assurance	5		
Automatic Number Plate Recognition	Assurance	5		
Agile Working	Assurance	5		
<b>Management and Planning</b>				
Liaison with Audit Wales	Management	2	2	2
Follow Up	Follow Up	6	6	6
Contingency	-	-		18
Annual Planning	-	4	4	4
Annual Report	-	4	4	4
Audit Management	-	18	18	18
Total Days		<b>199</b>	<b>180</b>	<b>180</b>

**\*Indicates suggested collaborative reviews**

## Annual Report of the Joint Audit Committee - 2020/21

### Annual Plan – 2021/22

Quarter	Review	Type	Days	Review
1	Health and Safety Management	Assurance	10	<p><u>Risk</u> Health and Safety risk</p> <p><u>Rationale</u> High risk area.</p> <p><u>Scope</u> The review appraises: the adequacy of the arrangements for managing the health and safety requirements of the organisation. The scope of the review does not include: carrying out or providing an opinion on the adequacy of the arrangements that are in place for meeting the legislative requirements.</p>
1	ICT – Network Security	Assurance	8	<p><u>Rationale</u> High risk area – cyclical coverage</p> <p><u>Scope</u> The review considers the arrangements for the physical and access security of hardware and software. The scope of the review does not include consideration of the merits of the types of hardware and software used, the access rights to the individual software; or the depreciation policies.</p>
1	Western Area – Command Unit	Compliance	8	<p><u>Rationale</u> Key risk area, included in the plan on a cyclical basis.</p> <p><u>Scope</u> The review assesses compliance with the key corporate procedures for Financial, HR, Duty of Care and Service Delivery.</p>

## Annual Report of the Joint Audit Committee – 2020/ 21

Quarter	Review	Type	Days	Review
1	Pensions – Cyber Security*	Assurance	5	<p><u>Rationale</u></p> <p>Risks highlighted by the National Police Chiefs’ Council to ensure systems integrity and also to ensure that any reputational risk of police systems being vulnerable to cyber-attack is minimised.</p> <p><u>Scope</u></p> <p>The review will consider the cyber security risk and management practices and seek assurance from the pension administrator that:</p> <ul style="list-style-type: none"> <li>• Systems controls are in place and regularly tested / updated to address any threat or risk</li> <li>• System integrity is maintained through the use of controls, passwords and security software, which are regularly tested / updated</li> <li>• The minimum amount of personal data is held on individuals, consistent with the efficient operation of the Scheme.</li> <li>• There is awareness among the workforce of cyber risk and arrangements are available for reporting attempted attacks or unsolicited contact on pensions issues</li> <li>• That appropriate plans are in place to deal with any cyber-attack and the consequences of such an attack, such as disaster recovery procedures and communication plans.</li> </ul>
2	Commissioner’s Grants	Assurance	6	<p><u>Rationale</u></p> <p>Large grant programme with grants issued by the Commissioner, reviewed on a three yearly basis.</p> <p><u>Scope</u></p> <p>The review will consider the arrangements for the assessing, awarding and compliance monitoring process for Commissioner’s Grants.</p>
2 September 2021	Performance Management	Assurance	10	<p><u>Rationale</u></p> <p>Key Governance Area - Reviewed cyclically</p> <p><u>Scope</u></p> <p>The review will consider the arrangements for providing assurance through the demand management and performance management frameworks that are used to measure the Force’s effectiveness. The scope of the review did not include consideration of the accuracy or completeness of all reports presented to the Board or the appropriateness of all decisions taken.</p>

## Annual Report of the Joint Audit Committee – 2020/ 21

Quarter	Review	Type	Days	Review
2 September 2021	ICT – Data Protection	Assurance	6	<p><u>Rationale</u></p> <p>Risk of significant fine for non-compliance</p> <p><u>Scope</u></p> <p>The review assessed compliance with the key data protection elements of:</p> <ul style="list-style-type: none"> <li>• Privacy Impact Assessments</li> <li>• Data Subject rights (e.g. Right to be forgotten)</li> <li>• Data Classification and Asset management</li> <li>• Data Security &amp; Breach Management</li> <li>• Governance &amp; Consent</li> <li>• Data Controllers &amp; Processors.</li> </ul>
2 September 2021	Capital Programme	Appraisal	8	<p><u>Rationale</u></p> <p>Key financial risk area completed bi-annually.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for accounting for the general capital programme. The scope of the review does not include consideration of the funding arrangements or the specification of the projects.</p>
1	Fleet Management – Fleet Strategy	Assurance	6	<p><u>Rationale</u></p> <p>Cyclical review of Fleet Management arrangements</p> <p><u>Scope</u></p> <p>The review considers the effectiveness of the arrangement for the management and replacement of the fleet of vehicles used by the Force and the Police and Crime Commissioner’s Office.</p>
3	Risk Management – Mitigating Controls	Compliance	6	<p><u>Rationale</u></p> <p>Rolling review of Risk Management arrangements.</p> <p><u>Scope</u></p> <p>The review will consider as an overview the effectiveness of the reporting mechanisms for corporate risks. To test the arrangements in place two risks which are included in the organisation’s risk register will be selected and the effectiveness of the identified controls will be reviewed. The scope of the review does not include consideration of all potential mitigating arrangements or their effectiveness in minimising the opportunities for the identified risks to occur.</p>

## Annual Report of the Joint Audit Committee – 2020/ 21

Quarter	Review	Type	Days	Review
3	Contract Management	Assurance	6	<p><u>Rationale</u> Key risk area, a contract management review is included in each year of the plan.</p> <p><u>Scope</u> The review will consider the effectiveness of the Project and Programme management arrangements in relation to a selected contract. This should include consideration of financial viability, quality and monitoring of delivery. The nominated contract is the XPS Pensions Contract.</p>
3	Fixed Assets	Assurance	6	<p><u>Rationale</u> Key financial risk area completed annually.</p> <p><u>Scope</u> The review considered the identification of assets that need to be recorded in the asset register, the identification, locating and recording of assets, inventories and the disposal of assets. The review also included consideration of departmental asset registers and the processes for reconciling these back to finance asset registers. The scope of the review did not include consideration of the purchasing, depreciation policies or insurance arrangements.</p>
3	HR Management – HR Strategy	Assurance	10	<p><u>Rationale</u> Workforce risk area.</p> <p><u>Scope</u> The review will consider the arrangements in place to assess the organisation’s needs and align these with the Police and Crime Commissioner’s Policing Plan including recruitment, training and development and performance management arrangements.</p>
4	Occupational Health Unit	Assurance	5	<p><u>Rationale</u> <u>Subject to an advisory review in 2020/21. Transformation project being undertaken.</u></p> <p><u>Scope</u> The review will consider the arrangements the Force has in place to follow best practice as set out within with the Foundation Occupational Health Standards for Police Forces, including the follow up of recommendations raised in the 2020/21 audit review of this area.</p>
4	Strategic Planning	Assurance	10	<p><u>Rationale</u> Key Governance Area -Cyclical review</p> <p><u>Scope</u> The review will consider the arrangements in place to develop the Police and Crime Commissioners Police and Crime Plan and the Force’s Delivery Plan.</p>



## Annual Report of the Joint Audit Committee – 2020/ 21

Quarter	Review	Type	Days	Review
4	Follow-up	Follow up	6	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the organisation is implementing recommendations, and providing reports to the Joint Audit Committee.
1-4	Collaborative	Various	55	Details of the audits are provided in Appendix D
1-4	Liaison with Audit Wales	Management	2	This time is for liaison with Audit Wales as External Auditor.
1	Annual Planning	Management	4	Assessing the organisation’s annual audit needs.
4	Annual Report	Planning/Reporting	4	Reporting on the overall conclusions and opinion based on the year’s audits and other information and providing input to the Annual Governance Statement.
1-4	Audit Management	Planning/Reporting	18	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Joint Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
<b>Total days</b>			<b>199</b>	

## Annual Report of the Joint Audit Committee – 2020/ 21

### Collaborative Annual Plan – 2021-22

Quarter	Review	Type	Days	Review
1	Counter Fraud (Anti-Fraud Procurement)	Compliance	5	<p><u>Rationale</u></p> <p>A review to test areas of exposure to fraud has been included in each year of the plan.</p> <p><u>Scope</u></p> <p>The review tests for potential significant fraud exposures due to non-compliance with the organisation’s procurement arrangements and/or inadequate or ineffective segregation of duties.</p> <p>The scope of the review does not include identification of all potential fraudulent transactions.</p> <p>Lead Force: North Wales Police</p>
2	Pensions – All Wales Pension Board*	Assurance	5	<p><u>Rationale</u></p> <p>This has been suggested as a four forces collaborative review.</p> <p><u>Scope</u></p> <p>A new All Wales Pension Board is being implemented with a Police Pension Hub. The scope of this review would consider the effectiveness of the arrangements.</p> <p>Lead Force: Dyfed Powys Police</p>
2	Safety Camera Partnership	Assurance	5	<p><u>Rationale</u></p> <p>Requested by the four forces</p> <p><u>Scope</u></p> <p>The review considers the governance arrangements in place across the four forces to manage the Safety Camera Partnership. Consideration will also be given to benchmarking the costs incurred in providing staff, vans and accommodation for the delivery of the arrangement, the income received and the process for recharges.</p> <p>Lead Force: Dyfed Powys Police</p>
2	Automatic Number Plate Recognition (ANPR)	Assurance	5	<p><u>Rationale</u></p> <p>Requested by the four forces</p> <p><u>Scope</u></p> <p>The review will consider the contractual arrangements in place for the delivery of ANPR noting that Dyfed-Powys Police use their own system and so the longer term replacement strategy will be considered. The review will consider the financial costs, contract management, how the arrangements tie in with the National Enabling Project and the compliance with ANPR standards, specifically training, security and audit arrangements. The review will also consider what use is made of the data obtained.</p> <p>Lead Force: Dyfed Powys Police</p>

## Annual Report of the Joint Audit Committee – 2020/ 21

Quarter	Review	Type	Days	Review
2	Agile Working	Assurance	5	<p><b><u>Rationale</u></b></p> <p>Requested by four forces</p> <p><b><u>Scope</u></b></p> <p>The review will consider the policies and procedures in place for agile working; the technology used to support these arrangements; the efficient use of space; the availability of staff for key meetings and on-site requirements and how management has oversight of who will be where and when and the arrangements to ensure continued productivity.</p> <p>Lead Force: North Wales Police</p>
3	Budgetary Control	Assurance	5	<p><b><u>Rationale</u></b></p> <p>Key financial risk area completed annually.</p> <p><b><u>Scope</u></b></p> <p>The review considers the budget preparation process, the monitoring arrangements, and reporting to the board.</p> <p>The scope of the review does not include consideration of the assumptions used in preparing the budgets; depreciation policies; apportionment of central costs; or financial information included in tenders prepared by the organisation.</p> <p>Lead Force: North Wales Police</p>
3	General Ledger	Assurance	5	<p><b><u>Rationale</u></b></p> <p>Key financial risk area completed annually.</p> <p><b><u>Scope</u></b></p> <p>The review considers the arrangements for providing an effective audit trail for data entered onto the general ledger and the appropriateness of the reports generated. The scope of the review does not extend to the budgetary control arrangements and bank reconciliations.</p> <p>Lead Force: Gwent Police</p>

## Annual Report of the Joint Audit Committee – 2020/ 21

Quarter	Review	Type	Days	Review
3	Payroll	Assurance	6	<p><u>Rationale</u></p> <p>Key financial risk area completed annually.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for: the creation, amendment and deletion of payroll records; payment of allowances and pay awards; and payment of salaries, payroll overpayments (including number and size of overpayments), why they occur, and whether the system needs to be amended to prevent these. In addition the scope will consider those areas where forces can recover costs from officers/staff e.g. investment in professional training, expenses to ensure that these are recovered on a timely basis. The scope of the review does not include determination of salary scales, appointment and removal of staff, severance payments or reimbursement of travel and subsistence expenses, or pension arrangements.</p> <p>Lead Force: South Wales Police</p>
3	Creditors	Assurance	5	<p><u>Rationale</u></p> <p>Key financial risk area completed annually.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for authorising and paying costs incurred by the organisation and the arrangement for control of the organisation's cheques and automated payments. The scope does not include providing an assurance that the expenditure was necessary or that value for money was achieved from the expenditure committed.</p> <p>Lead Force: South Wales Police</p>
3 October 2021	Debtors	Assurance	5	<p><u>Rationale</u></p> <p>Key financial risk area completed annually.</p> <p><u>Scope</u></p> <p>The review considers the raising of debtor accounts, collection of income, receipting, storage and banking of income received by the organisation. The scope of the review does not include identification of the activities giving rise to income for the organisation, the basis of calculating the rates to be charged or that all income receivable has been identified.</p> <p>Lead Force: Gwent Police</p>

## Annual Report of the Joint Audit Committee – 2020/ 21

Quarter	Review	Type	Days	Review
3	Treasury Management	Assurance	4	<p><b><u>Rationale</u></b></p> <p>Key Audit risk area, completed every three years.</p> <p><b><u>Scope</u></b></p> <p>The review considers the arrangements for controlling the investment and borrowing arrangements; compliance with the organisation’s overall policy; banking arrangements; reconciliations and the reporting to committee. The scope of the review does not include consideration of the appropriateness of any individual financial institution or broker or of individual investment decisions made by the organisation.</p> <p>Lead Force: South Wales Police</p>
<b>Total days</b>			<b>55</b>	