



# Bedfordshire Police

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## **TO THE POLICE AND CRIME COMMISSIONER FOR BEDFORDSHIRE AND THE CHIEF CONSTABLE OF BEDFORDSHIRE**

### **JOINT AUDIT COMMITTEE ANNUAL REPORT 2022/23**

#### **Introduction**

CIPFA recommends that Audit Committees report on their work and assess their performance. This is the Joint Audit Committee's (JAC) annual report for the 2022/23 financial year and aims to help readers form a view of:

- Activities undertaken to meet its responsibilities and obligations.
- Knowledge development of the Independent Members.
- Issues of ongoing concern and lessons learned.
- Contribution to enhancing governance and control over the past twelve months.
- Focus for the next reporting period.

The JAC was established in 2013, its purpose is to provide an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards of the Bedfordshire Police and Crime Commissioner (PCC) and Chief Constable (CC).

The work of the JAC is accountable to the PCC and CC and aligns with the principles developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as summarised below:

- Fulfilling its agreed terms of reference.
- Adopting recommended practice.
- Assessing its own effectiveness.
- Reviewing the impact and contribution made to improving governance, risk and control mechanisms.
- Identifying and meeting the development needs of Independent Members.

The Terms of Reference (ToR), that guide and support the work of the JAC in delivering the criteria described above is at Annex A. This framework is reviewed annually to ensure it remains relevant to the context in which the PCC and CC undertake their duties.

The members of the JAC are:

Name	Role	Date of initial appointment	Appointments ending in 2023
<b>Jagtar Singh</b>	Chair	February 2013	2024
<b>Gita Raja</b>	Member	December 2016	
<b>Judit Seymour</b>	Member	December 2016	
<b>Laura Bartlett- Rawlings</b>	Member	March 2022	
<b>Wayne Brads</b>	Member	February 2013	2024

The following officers of the PCC and CC routinely attend meetings to inform and support the work of the JAC.

Name	Representing
<b>Philip Wells</b>	PCC and CC
<b>DCC</b>	CC
<b>Anna Villette</b>	PCC
<b>Katie Beaumont</b>	PCC

In addition, representatives from the Internal and External Auditors regularly attend JAC meetings to:

- inform the JAC of progress against the audit plan,
- provide expert opinion on the effectiveness financial and management controls in place across the PCC and Force,
- respond to questions arising from individual audit reports.
- Provide subject matter expertise.

## Purpose of this report

This report summarises the work undertaken by the JAC during this reporting period and covers:

- Financial Management and Reporting
- Internal Control and Governance Environment
- Strategic Risk Management
- Internal Audit
- External Audit

- Inspection and Review

## Review of JAC Activity

The JAC believes that it has delivered against the guiding principles outlined by CIPFA during this reporting period.

Specific aspects of governance and control are reviewed regularly including:

### Risk management

Risk Management is a standing agenda item for all JAC meetings during which the JAC:

- Scrutinises and challenges the risk frameworks used by the PCC and CC to manage their activities.
- Conducts deep dives into specific areas of risk.
- Supports PCC staff in developing and maturing the PCC risk register.
- Scrutinises and comments on risk management policies. Attended the Force workshops to gain insight into the management of the risk relating to IT resilience.
- Reflected on points of learning from Baroness Casey's review of the standards of behaviour and internal culture of the Metropolitan Police Service and challenged the PCC and CC on its relevance to policing in Bedfordshire.
- Identified opportunities for the PCC and CC to link risk and performance management more closely.

### Internal Audit

- Reviewed the following internal audits during the twelve-month reporting period, challenging the PCC/CC where reports highlighted material shortfalls in control mechanisms:
  - Governance (OPCC & Force).
  - Budget Management (Force).
  - Income and Debtors (Force).
  - Key Financial Controls (OPCC).
  - Covert Human Intelligence Source Payments and Covert Accounts (Force).
  - Attrition - Officers and Staff (Force).
  - Business Continuity/Emergency Planning (Advisory) (Force).
  - Commissioning and Grants (OPCC).
  - ERSOU (budgeting/financial controls) (Beds/Cams and Herts).
  - Camera, Tickets and Collisions (Beds/Cams and Herts).
  - Health and Safety (Beds/Cams and Herts).
- Monitored progress and coverage of the agreed Internal Audit plan.
- Monitored the reported progress regarding implementation of audit



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recommendations and challenged the PCC/CC where delays in implementation have been reported.

- Reviewed and commented on the apparent dilution of action and ownership of internal audits where Cambridgeshire and Hertfordshire act as the lead authority.

## External audit

- Progress made by the PCC and CC External Auditors is monitored routinely by the JAC. The delay in auditing the 2020/21 Accounts has meant that the 2022/23 Accounts remain unaudited. It is recognised that work is ongoing to determine how the backlog is to be addressed before KPMG assume responsibility for auditing the 2023/24 accounts and therefore represents a risk to the PCC and CC.
- An apparent decline in the service provided to the JAC by the External Auditors, compared to previous years, is an ongoing concern. Incomplete information and non-disclosure of statutory reporting standards (namely International Standard on Auditing 260) and the absence of an audit highlight memo undermines the ability of the JAC to fulfill its obligations to the PCC and CC.

Accordingly, the JAC have been unable to fully complete their responsibilities in relation to Financial Reporting, the Statements of Accounts and review of the external auditor's report. This represents a key element of the work of the JAC and should be regarded as work-in-progress.

## JAC Development

It is pleasing to note the extremely positive working relationship that exists between the JAC and the PCC/CC teams and has been maintained throughout the reporting period. The opportunity to engage with representatives of the PCC/CC outside of regular meetings is always available to Independent Members and is appreciated by the JAC. The recruitment of a new Independent Member during the period of this report was facilitated by a series of briefings that helped to raise awareness of associated issues and working methods. The open and transparent approach adopted by the PCC/CC towards the JAC is valued. This has been supplemented by briefings from across the PCC and the Force that have contributed to a productive development annual awayday. The topics covered at these development days are identified by the Members of the Committee in conjunction with Officers of the PCC/CC and enhance the JAC's understanding of operational issues and initiatives.

Understanding of operational issues is also reinforced by the attendance of the Deputy Chief Constable at JAC meetings, which provides a useful insight into the key challenges and risks within CC's portfolio.

The JAC takes advantage of opportunities to attend relevant CIPFA

seminars/training that is pertinent to the work of Police Audit Committees. In addition, opportunities to observe meetings of neighbouring Cambridge and Hertfordshire JAC's are taken whenever they arise to ensure that any good practice may be incorporated into our ways of working.

## **Effectiveness of JAC**

At the time of writing this report a survey for all attendees of the Committee was being designed in order that a full evaluation could be completed. The findings and any development needs will be reported to the next JAC.

## **Impact of JAC**

The impact of the JAC in supporting the improvement of governance, risk and control mechanisms is highlighted by:

- Robust scrutiny and testing of the PCC/CC risk register.
- Monitoring and testing of the Internal Audit plan for completeness and progress in implementing recommendations.
- Scrutiny and challenge of Internal Audit reports where the assurance process has highlighted issues requiring further action.
- Scrutiny of key risks associated with the Workforce, Culture and Performance initiatives.

## **What impact has the Committee had on the improvement of governance, risk and control?**

The Committee has considered a wide range of areas during the year with the knowledge that the Chief Constable and PCC are 'those charged with governance' so the Committee's role is largely advisory.

## **Delivery against the CIPFA framework**

The Committee has reviewed its performance against accepted good practice as identified by CIPFA and is confident that it has fulfilled its responsibilities to the PCC and CC

## **Areas of Focus for 2023/24**

The JAC is keen to develop its role and remain relevant to the ambitions of the PCC and CC. To this end, the JAC intends to develop a greater understanding, in terms of risk and control mechanisms, of the

- Ongoing development of the Medium-Term Financial Plan and Treasury Management.
- Control and performance against the Strategic Priorities.



- Delivery of Cultural Improvement.
- Sustainability of Uplift.
- Transition of the External Audit process from BDO to KPMG.
- Managing the rotation of JAC appointments that will occur during the next reporting period.

## Joint Audit Committee's Conclusions on Governance

The Joint Audit Committee is a key element of the Police and Crime Commissioner's and the Chief Constable's corporate governance. It provides an independent review of the effectiveness of these arrangements and its annual report sets out how it has fulfilled its responsibilities in 2022/23.

The Committee has received assurances on the operation of the systems of governance, risk management, financial reporting and annual governance statements preparation. Its work has not identified any significant control risks and the Committee concludes that the arrangements reviewed remain adequate and effective.

## Joint Audit Committee Members

<b>Jagtar Singh</b>	
<b>Gita Raja</b>	
<b>Judit Seymour</b>	
<b>Laura Bartlett- Rawlings</b>	
<b>Wayne Brads</b>	

Date: 29 September 2023





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Annex A

## **Joint Audit Committee Terms of Reference**

The Committee will consist of four or five members who are independent of the Commissioner and Chief Constable. They will be appointed by the Chief Constable and the Commissioner (or their representatives) and will serve for four years, except in exceptional circumstances, before being required to reapply.

The Chairperson will be specifically appointed by the Commissioner and Chief Constable. The Chairperson will remain in that capacity for the length of their appointment, usually four years, but in extenuating circumstances and where it is considered to be in the interests of the organisation this may be extended annually.

The Committee will hold four formal meetings a year – in public - although there may be a requirement to hold additional meetings at short notice. The quorate is 2 members plus a chair for each formal meeting.

The Committee will meet with the External Auditor and Chief Internal Auditor, in private, at least once a year.

The Committee will hold at least one training day each Financial Year.

The Chief Finance Officer(s), Chief Executive of the OPCC, Internal Audit and External Audit and the Deputy Chief Constable will be regular attendees of the Committee, but the Committee have the right to request additional attendees as required although should recognise the operational independence of the Chief Constable.

1. March – to consider the Internal Auditor's Internal Audit Plan and the External Audit Plan.
2. June/July– to consider the End of Year Reports, the Annual Governance Statement, Annual Statement of Accounts and to receive the Audit Results report.
3. September – to consider mid-year progress reports.
4. December – to receive the Annual External Audit Letter and agree the Annual Assurance Report of the Committee.

The agenda, reports and minutes of all Committee meetings will be published on the OPCC website. However, members of the press and public shall be excluded from a meeting whenever it is likely that confidential information will be disclosed. Confidential information is defined as:

- a) Information furnished to the Committee by a Government department upon terms (however expressed).
- b) Information the disclosure of which to the public is prohibited by or under any enactment or by the order of a Court.

## **Methods of Working**

The Committee will:

- Be directly accountable to the Commissioner and Chief Constable.
- Advise the Commissioner and Chief Constable on good governance principles.
- Adopt appropriate risk management arrangements.
- Provide robust and constructive challenge regarding the effective and efficient application of appropriate internal control mechanisms.
- Take account of relevant corporate social responsibility factors when challenging and advising the Commissioner and Chief Constable (such as value for money, diversity, equality and health and safety).
- Be regularly briefed by the Chief Constable and Commissioner, or representatives thereof, on the full range of activities falling within its specific responsibilities.
- Attend any training and conference events that will ensure members are kept up to date with the policing landscape and audit requirements.
- Provide an annual assurance report to the Commissioner and Chief Constable.
- Review and update the terms of reference annually. Information Sharing for each Joint Audit Committee Members will receive, except in exceptional circumstances, all agenda items 5 days prior to the meeting date and at a minimum will include the following standing items:
  - A report summarising any significant changes to the OPCC and Force Strategic Risk Registers.
  - A progress report from the Head of Internal Audit summarising work performed (and a comparison with work planned).
  - Key issues emerging from Internal Audit work include management response to audit recommendations.
  - A progress report from the External Audit representative summarising work done and emerging findings.

## **Specific responsibilities**

The Committee has the following specific responsibilities:

### Financial Management and Reporting

- Provide assurance to the Commissioner and Chief Constable regarding the adequacy of the arrangements, capacity and capability available to their respective chief finance officers to ensure the proper administration of the Commissioner's and Force's financial affairs.
- Review the Annual Statement 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 Commissioner and/or the Chief Constable.
- Be satisfied that the Commissioner's and Chief Constable's accountability statements, including the annual governance statement, reflect the risk environment and any actions to improve it and demonstrates how governance supports the achievement of the Police and Crime Plan.
- Consider the external auditor's report to those charged with governance





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on issues arising from the audit of the financial statements, and to give advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate. Internal Control and Governance Environment.

- Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements
- Consider and comment upon the adequacy and effectiveness of the assurance framework, and the specific governance and accountability policies, systems and controls in place, such as the Corporate Governance Framework; anti-fraud and corruption; whistle-blowing, declarations of interest and gifts and hospitality.
- 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.
- To consider the governance and assurance arrangements for significant partnerships or collaborations Strategic Risk Management
- Consider the effectiveness of the Commissioner's and Chief Constable's risk management arrangements.
- Understand the risk profile of the Office of the Police and Crime Commissioner and the Chief Constable.
- Receive and consider assurances that risks are being managed effectively and that published goals and objectives will be achieved efficiently and economically, making recommendations as necessary.
- The risk management policy will be reviewed by the OPCC and the Force on a biannual basis and reviewed by the committee. Internal Audit
- Oversee its independence, objectivity, performance and conformance to professional auditing standards.
- Receive and consider the adequacy and effectiveness of the arrangements for the provision of the internal audit service.
- Consider and comment on the Internal Audit Strategy and Plan.
- Receive and review internal audit reports and monitor progress of implementing agreed actions.
- Consider and comment upon the annual report of the Head of Internal Audit.
- Obtain assurance that an annual review of the effectiveness of the internal audit function takes place External Audit.
- Receive and review reports from the external auditors, including the annual audit letter and audit opinion.
- Review the effectiveness of external audit.
- Consider and comment upon any proposals affecting the provision of the external audit service.
- Consider the level of fees charged, and at present Bedfordshire participates in the national procurement of external audit services through the Public Sector Audit Appointments (PSAA). However, should the Commissioner and Chief Constable decide that local procurement would be better the Committee would undertake the role of the Independent Audit Panel, as set out in the Local Audit and Accountability Act 2014, including considering and recommending appropriate arrangements for any future appointment of External Auditors Inspection and Review.



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- To consider any HMIC report that provides assurance on the internal control environment and/or highlights governance issues for the Commissioner and/or Chief Constable Accountability Arrangements.
- On a timely basis report to the Commissioner and the Chief Constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.
- Report to the Commissioner and the Chief Constable 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.
- On an annual basis to review its performance against its Terms of Reference and report the results of this review to the Commissioner and the Chief Constable.