



Audit Committee Annual Report – 1 April 2022 to 31 March 2023

Originator: Chairman Rob Bennett on behalf of the Audit Committee

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 will be scheduled before the current Chair leaves post in September 2023.

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 2022 to 31 March 2023.

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, 3 meetings (2022) 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. 2 meetings in 2023 became hybrid meetings which is the plan to continue with moving forward.

Governance and Risk Management frameworks

During the year, the Committee reviewed and continually updated the Draft Annual Governance Statement for the year ended 31 March 2022 which sets out the arrangements that operated to ensure effective governance in the OPCCN and the Constabulary. Because of the delay in auditing the accounts by external audit and other factors the audited accounts have yet to be signed off.

This statement is routinely published added to the annual financial statements for the year ended 31 March 2022. It is also reviewed by the external auditor who did not raise any issues at this stage in relation to its contents as part of the annual audit process.

The Committee supported the work of the Corporate Governance Working Group in refreshing the Corporate Governance Framework, which has been updated and will be placed 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 several activities based on a programme of work for the year.

7 Force Commercial services undertook a procurement exercise with involvement of the Committee. The outcome of that procurement was that TIAA were awarded the contract.

The Committee reviewed and agreed the internal audit plan for the 2022/2023 year and then received progress reports from the internal auditors on their work at each meeting. During the year, to date, out of a total of 9 internal audit results reported to the Committee 1 were substantial, 8 reasonable and no limited assurances.

The Committee discussed individual internal audit reports with the internal audit team and with management at each of its meetings.

The internal audit reports included progress in implementing agreed recommendations arising from earlier assignments. The Committee has been pleased with the continued 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 22/23 is anticipated to be that TIAA are satisfied that, for the areas reviewed during the year, the Police and Crime Commissioner for Norfolk (PCC) and Chief Constable of Norfolk Constabulary (CC) 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.

Once external audit has completed its work the accounts will be signed off by the PCC and CC

Other matters

The Committee reviewed the annual Treasury Management strategy for the year ending 31 March 2024, together with an update on treasury activities during 2022/23. 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 Complaints, Commissioning, Violence Against Women and Girls, 7 Force Procurement, Workplace Health, Force Management Statement, Fire Safety, and IT Project Management.

The Committee met Internal Audit and External Audit in private, which is recommended best practice, in January 2023.

There will be change to the membership of the Committee during 2023/24. The Chair and another key member will be standing down as will come to the end of their terms. Recruitment has been underway to fill the two vacancies and the process to appoint a new Chair has been undertaken. Key skills of the committee members will be analysed once the changes have embedded, to ensure any development needs are met. In addition, succession planning is underway for ensuring the continuation in recruiting members at appropriate times before the terms of current members' end.

The terms of reference for the Committee are being reviewed and any necessary changes will be agreed by the committee and published on the OPCCN website.

A joint meeting with Suffolk Joint Audit Committee is being considered in September.