

DYFED-POWYS

POLICE AND CRIME COMMISSIONER

AND CHIEF CONSTABLE

Joint Audit Committee

Annual Report

2021/22

Chairman’s Foreword

The purpose of the Joint Audit Committee (“JAC”) is to provide the Police and Crime Commissioner (PCC) and the Chief Constable (CC) with independent assurance on matters of governance. The Committee is entirely independent of the PCC, the CC and their respective executive teams. The JAC works to a comprehensive Terms of Reference which was revised during the year. The scope of work covers the management of risk, the operation of internal controls, matters of financial reporting and non-financial performance, anti-fraud and corruption arrangements. The Committee seeks assurance from external and internal auditors, whose work it oversees.

This has been another challenging year as a consequence of the restrictions resulting from the Covid-19 pandemic. Although meetings have again been held virtually I am confident the members of the Committee have continued in line with the Terms of Reference, to provide the required advice and support to the PCC and the CC.

Of particular significance this year was the appointment of Cleveland Chief Constable Dr Richard Lewis as the force’s new Chief Constable and the JAC look forward to supporting the CC in his new role. The JAC would also like to thank Deputy Chief Constable Claire Parmenter in post as Temporary Chief Constable during the intervening period between Chief Constable appointments for her time and support to the JAC

In the year Dafydd Llywelyn was successfully elected in to his second term of office as the PCC for Dyfed-Powys Police during the May 2021 elections. The JAC will continue to build on the successful working relationship between us and welcome his continuing input to the JAC meetings.

In line with the Terms of Reference, after completing two terms as a member of the Committee one term as Chair Malcolm MacDonald attended his final meeting in October 2021. Malcolm has undertaken high-level finance roles covering financial planning, financial reporting, and treasury management with the Welsh Development Agency, South Wales Police and the Public Services Ombudsman for Wales. As part of his role during his employment with these organisations, he has provided reports and advice to their Audit Committees. His level of experience and enthusiasm has greatly enhanced the performance of the JAC and we are very grateful to have had his service and I am most grateful to have the opportunity to step up to the role of Chair for the coming term.

In November 2021 Michelle Morris joined the Committee and was shortly thereafter successful in being appointed by The Senedd as the new Public Services Ombudsman for Wales which meant we had to lose her services after a short but most appreciated period. We all wish her well in her new role.

The Committee continues to meet its duties and challenges thanks to the considerable dedication of our other members, Lynne Hamilton, Kate Curran and Andre Morgan. The support of all the Committee is greatly appreciated.

In addition to the quarterly JAC meetings the members also had the opportunity to consider the annual accounts in greater detail at a dedicated financial session in June and a further update in December that includes a treasury management briefing together highlighting the financial pressures that would impact on the determination of the forthcoming precept.

The JAC also held meetings in private with the Internal Audit and External Audit providers, TIAA and Audit Wales.

The range of business reviewed by the JAC is extensive and ever widening and the Committee members ensure that there is a detailed scrutiny of the various papers received ahead of the meetings. This included regular information on risk and the completeness, effectiveness and timeliness of planned risk mitigations and controls.

JAC members are individually encouraged to bring their specific skills and knowledge on the expanding scope thus ensuring improved focus and scrutiny by the Committee as a whole. To carry out its work effectively, the JAC seeks to ensure an understanding of the Force’s key policing challenges and associated risks and will continue to look for engagement opportunities to gain insights into key policing matters.

Finally, on behalf of the Committee, I would like to thank officers of the Police and Crime Commissioner and the Chief Constable, along with the internal auditors TIAA, the staff of Audit Wales and representatives of Her Majesty’s Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS) who have supported its work during the course of the year and that they have undertaken their respective responsibilities so effectively under the difficult pandemic restrictions. This applies equally as well to those who provide support in servicing the committee.

Martin Evans, Joint Audit Committee Chair.

The Joint Audit Committee

**The Police and Crime Commissioner and Chief Constable’s Joint Audit Committee (JAC) is a key component of the Dyfed-Powys Police Service’s corporate governance. It provides an independent and high-level focus on the adequacy of audit, assurance and reporting arrangements that underpin good governance and financial standards. This independence is important as the committee is, therefore, uniquely positioned in terms of its ability to provide assurance and advice.**

The purpose of the JAC is to provide independent assurance to the Police and Crime Commissioner (PCC) and Chief Constable (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 arrangements are in place.

The JAC has been established in accordance with the Home Office Financial Management Code of Practice, issued under the Police Reform and Social Responsibility Act 2011 and in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance.

**Members of the JAC must have an understanding of the financial, risk and control, and corporate governance issues facing the PCC and CC. They must have the ability to challenge, question, probe, and seek clarification from the PCC and CC when required.**

The Membership of the JAC during 2021/22 was as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Member** | **Number of meetings scheduled to attend** | **Number of meetings attended** | **% of meetings attended** |
| Malcolm MacDonald (former Chair) | 2 | 2 | 100% |
| Martin Evans (Current Chair) | 4 | 4 | 100% |
| Andre Morgan | 4 | 4 | 100% |
| Kate Curran | 4 | 3 | 75% |
| Lynne Hamilton | 4 | 4 | 100% |
| Michelle Morris | 1 | 1 | 100% |

Each member of the JAC have been vetted and completed a declaration of interest form.

The JAC meetings are also attended by the PCC and CC, the PCC’s Chief Finance Officer and Chief of Staff & Monitoring Officer and the CC’s Director of Finance. Other officers attend to provide information about audits, programmes of work, or any other matters as required.

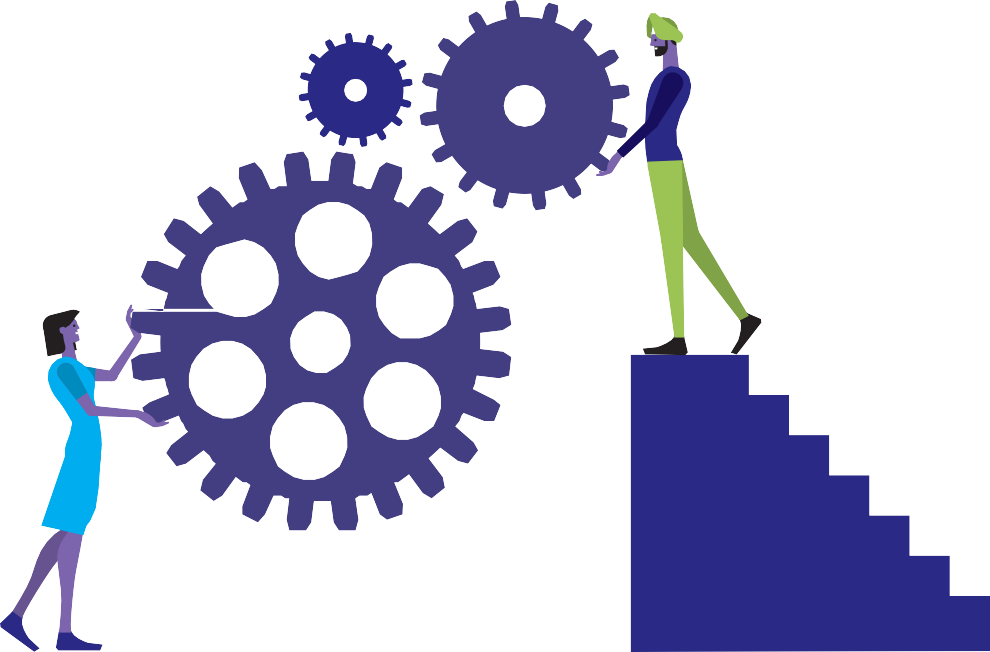
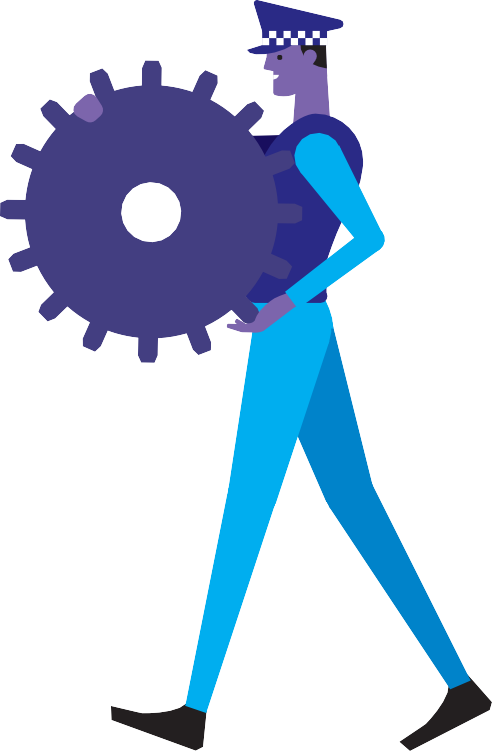
Meetings

Throughout 2021-22, JAC meetings have taken place virtually via Microsoft Teams due to COVID-19. Meeting virtually has meant that the work of the Committee has been able to continue without pause throughout this challenging period.

On the 1st of October JAC Members were invited to a meeting hosted by Gwent for all Joint Audit Committees in Wales via Teams. The aim of the meeting was to collect the views of Members on the following aspects; Collaborative improvement projects, Collaborative internal audits, Value for money, the challenge of proper KPI and Covid-19 lessons learnt.

In addition to the formal Committee meetings, Members of the JAC also meet privately, without the PCC or CC, with both internal and external auditors on a bi-annual basis. It is also routine for the Chairman to have discussions with the Statutory Officers about emerging governance related issues.

A seminar was held virtually via Microsoft Teams on the 23rd of June 2021 between Members, the Chief Finance Officer, the Director of Finance and finance leads within the Force to consider the vast level of detail within the then draft Statement of Accounts. This exercise was considered very useful in terms of reviewing the accounts and related documents with very valuable discussions taking place. The Committee also had an input on the Annual Governance Statement and an update from Audit Wales.



Members were invited to the Police and Crime Commissioner’s virtual Finance Summit on the 30th of November 2021 which provided stakeholders with an overview of the operational and financial challenges facing the service. This served to contextualise the programme of governance work being undertaken by the JAC and was deemed to be beneficial to all involved. Members also received an input from Link Group, the new Treasury Management Advisors on the current economic position, market conditions and explained the key elements which needed consideration for the Strategies.

Programme of work for 2021/22

**The Joint Audit Committee met 4 times in 2021/22. The Committee received reports, recommendations, and observations from internal auditors TIAA, Audit Wales Office and HMICFRS updates. The Committee also received presentations from officers of the OPCC and Force on key business areas for them to formulate an independent opinion and provide an assurance to the PCC and CC in respect of the financial and governance controls within the Corporation Soles. The programme of work included the following:**

**Risk Management:** The JAC note the ongoing work within the Force to create a culture of engagement and ownership across the spectrum of risk management activity. The JAC is pleased to note the Internal Auditors award of Substantial Assurance to risk management mitigating controls in November 2021, which consolidated the similar award achieved in 2020. The JAC particularly note the Auditor’s positive comments in relation The governance structure for the mitigation, monitoring and reporting of uncertainties and risks within Dyfed-Powys Police being robust. The JAC note the continuing risks faced by the Force in relation to Force Communication Centre fall-back arrangements, Crime Recording and HMICFRS Cause for Concern and the criminal justice related challenges brought by uncertainties within the Forensic Science Service capability to meet the needs of policing across the UK.

In addition to the Force Risk Register, JAC also receive an update on the risks contained within the OPCC Risk Register.

**HMICFRS:** The JAC received updates on HMICFRS inspection activity and the Force Management Statement over the course of the year.

**Fraud:** JAC receive an update at every meeting on any Fraud investigations that are ongoing within the Force.

**Information Management:** At least twice a year Members will receive an update from the Data Protection Team in relation to the number of Data Protection cases, Freedom Information Requests and Subject Access Requests. The Committee will also receive an update on record management and any data breaches that have occurred and how these were managed.

**Governance:** The JAC received the actions taken from the quarterly Corporate Governance Group meetings, which is attended by representatives of the Chief Constable and Commissioner, and a JAC member. This Group maintains and reviews the effectiveness of the Corporate Governance Framework and considers the internal and external factors which impact on corporate governance. JAC members approved the draft Annual Governance Statements for both thePCC and CC and inputted into the revision of the Corporate Governance Framework.

JAC also receive updates from the Audit Governance Group. Membership to this Group consists of a small core group of individuals in addition to TIAA and representation from a JAC member. The group consider the progress made against audits and consider any prior recommendations that are outstanding. JAC have noted the positive impact that this Group has had on monitoring and reducing the number of open recommendations from audit reports.

**Financial reporting:** The JAC reviewed the annual Statement of Accounts for 2021/22, and considered the Accounting Policies, Treasury Management Strategy, Reserves Policy and the Capital Strategy.

**Internal controls:** The contract with TIAA was due to come to an end in March 2021 with an option to extend the contract for an additional year. Due to the challenges this year in terms of Covid-19 and timescales, the Force has taken advantage of the one-year extension, securing TIAA until March 2022.

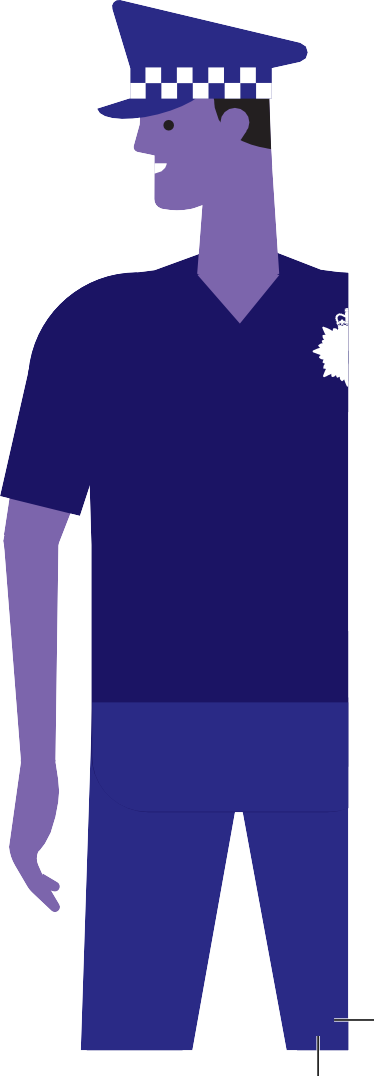
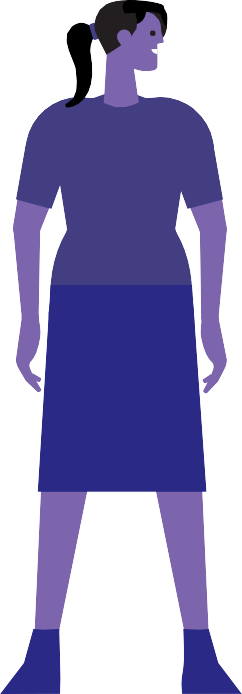
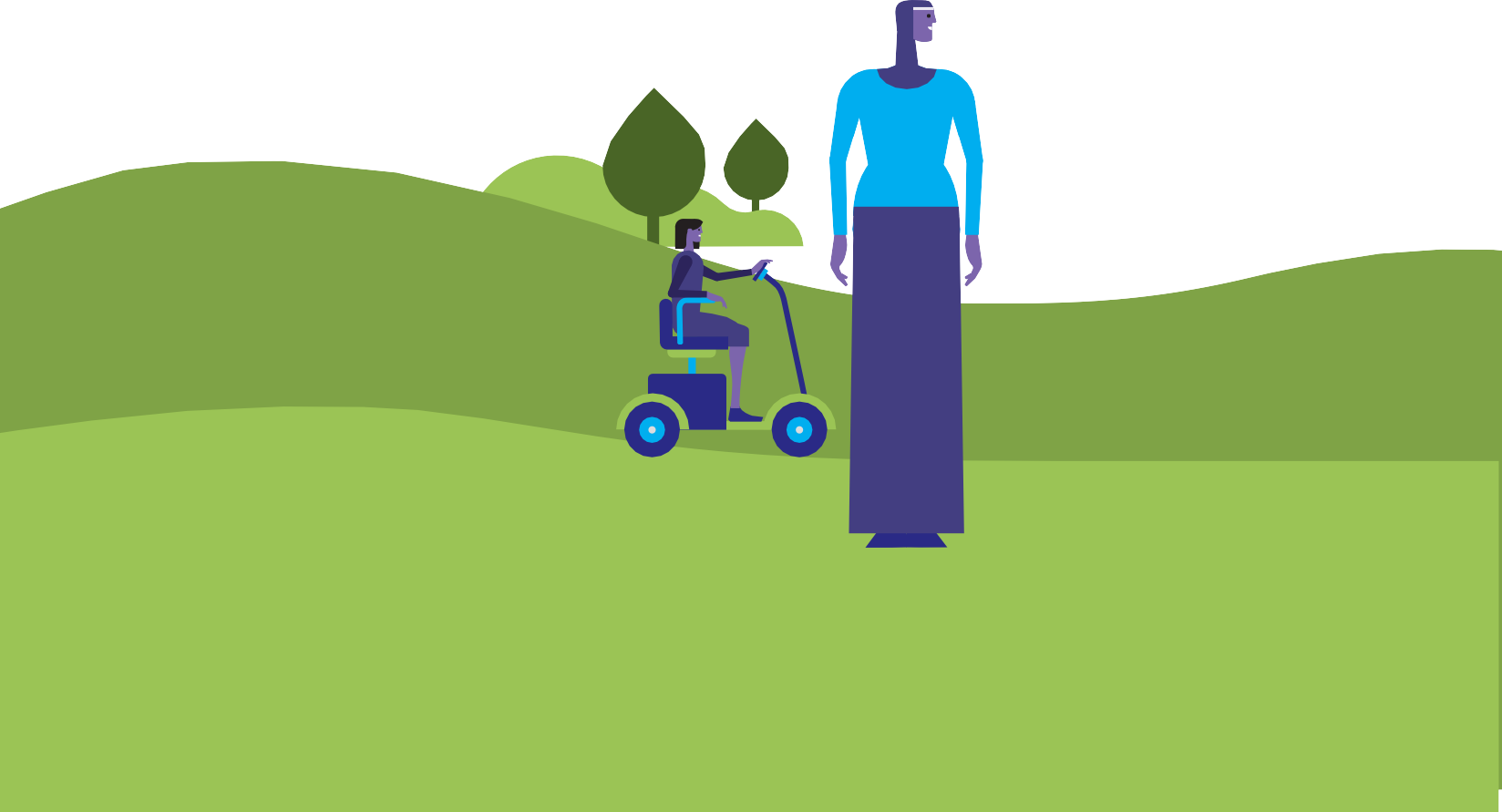
**Internal Audit:** The JAC had oversight of work undertaken by internal auditors (TIAA), including reviews of Budgetary Control, Governance – Development of the Police and Crime Plan, the Resource Management Unit, Vetting – disproportionality in recruitment, Risk Management Mitigating Controls and ICT Review of Change Management. The JAC also considered all Wales collaborative reports, some of which included Assurance Review of Pensions - All Wales Pensions Hub, Assurance Review of the Wales Safety Camera Partnership and the review of Automatic Number Plate Recognition (ANPR). JAC also considered the Annual Internal Audit Plan for 2022/23.

**Transparency**

Agendas and minutes from the JAC meetings are made available to the public on the OPCC website. If you would like to read more about the above programme of work for 2021/22 and receive further detail and information on the outcomes from the quarterly meetings of the Committee please visit our dedicated JAC page on the OPCC website: [Joint Audit Committee (dyfedpowys-pcc.org.uk)](https://www.dyfedpowys-pcc.org.uk/en/accountability-and-transparency/joint-audit-committee/).

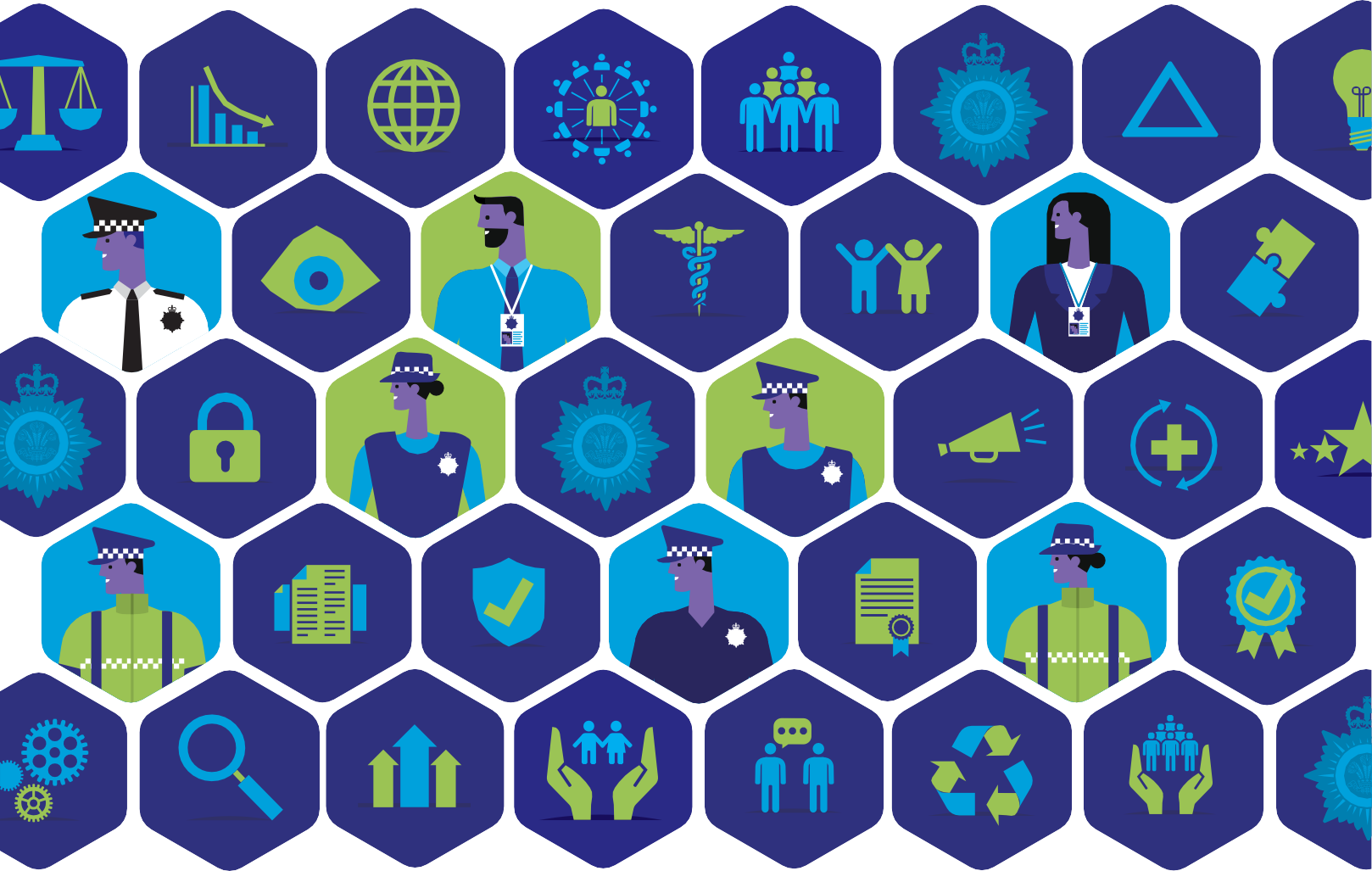
**Terms of Reference (ToR)**

The ToR set out the core functions that the JAC must undertake. A comprehensive review of the ToR to assess compliance with CIPFA requirements and guidelines takes place on an annual basis. Our review in 2021 did not identify any further changes required to the ToR and that we were satisfied that JAC were compliant in carrying out their function. A detailed review of the ToR will take place in 2022 due to the appointment of the new Chief Constable and the revised Annual Governance Statement. [JAC Terms of Reference.](https://dyfedpowyspolice-my.sharepoint.com/personal/caryl_bond_dyfed-powys_police_uk/Documents/Desktop/Hbook%20and%20forms/JAC%20ToR%202021-final.doc)



**Priorities for the Committee in 2022/23 include:**

* (To undertake an extensive review of the Committee’s Terms of Reverence and operating procedures, ensuring focus on statutory responsibilities and the PCC and CC priorities, as well as compliance with the revised CIPFA position statement on Audit Committees 2022 and securing good governance arrangements.
* Continue to seek reassurance in relation to the Estates operation reorganisation and the provision of deliverable improvements.
* Continue to oversee the integration of risk management into business planning and governance arrangements, confirming alignment with organisational risk appetite and ensuring processes in place provide robust scrutiny of all entries.
* To focus on key areas of business, in support of the PCC and CC’s priorities, including:
  + Cyber security
  + Digitisation (use of data)
  + Culture & Ethics
  + Sustainability (climate change)
  + Agile organization (no return to BAU foreseeable)



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## Contact Details

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