



Dan Price
Cheshire
Police & Crime
Commissioner



Cheshire
Constabulary

Joint Audit Advisory Committee

Annual Report 2024

Chair's Foreword

Welcome to the 2024 annual report of the Cheshire Police and Crime Commissioner and Chief Constable's Joint Audit Advisory Committee ['the Committee'].

The Committee is an independent body set up in accordance with the requirements of the Home Office Financial Management Code of Practice. The Committee provides advice and assurance functions to the Police and Crime Commissioner and the Chief Constable on the effectiveness of governance, risk and audit arrangements and controls in place within the Office of the Police & Crime Commissioner and the Constabulary. The Committee achieves this by undertaking a wide range of reviews against an annual work programme. Through providing support and challenge, the Committee aims to improve and add value to those areas of governance within its remit.

The Chartered Institute of Public Finance and Accountancy (CIPFA) provides guidance on the role of the Committee. The Terms of Reference for the Committee are closely aligned to all aspects of the CIPFA guidelines and are reviewed and formally adopted on an annual basis.

Membership of the Committee

Membership of the Committee is as follows:

Chair

Phil Bearpark is a Chartered Mechanical Engineer and has held a number of senior roles within the UK Rail Industry over the last 32 years. He still works part time in Rail and is a Non-Executive Director of Heathrow Express. Phil is very experienced in audit, governance and risk management.

Jean Gleave is a fully qualified member of the Chartered Institute of Internal Auditors. She has over 35 years of internal audit, governance, control and risk experience in both the public and private sector with roles as Head of Internal Audit at Warrington Borough Council and Salford City Council and as Chief Internal Auditor in the NHS; she has also held audit positions in private sector (insurance), and with the civil service. She is also an independent member of Liverpool City Region Combined Authority Audit & Governance Committee.

Paul Birtles (Vice Chair) is a certified programme manager with over 30 years experience in the delivery of major business change and IT programmes. Working for a global consultancy, Paul has undertaken roles spanning most areas of the IT and business change lifecycle, including portfolio & programme management, risk management, quality assurance, client consulting, outsourcing and financial management. He has worked across most industry sectors, frequently leading engagements with personal accountability for budgets of £10m+, both in regulated and private sector organisations.

V J Karthikeyan (Karthik) is a Consultant Cardiologist in the National Health Service with significant experience in audit and governance in healthcare. He is the Associate Lead for Hypertension in Greater Manchester and is also the Education Lead for Cardiology at Wythenshawe Hospital, Manchester University Foundation Trust. He has been the Lead for the Cardiac Catheter Labs as well as Research Lead in a previous post at Wigan and supported the establishment of lifesaving services to treat heart attacks for the population of North Wales.

Elaine Smith is a Chartered Management Accountant and a Chartered Member of the Chartered Institute for Securities and Investment. She has extensive experience of audit, governance, risk and controls via a number of senior roles in the investment operations sector and has over 20 years' experience as head of regulatory compliance and risk for a number of FCA regulated fund management firms, more recently as a Director and Chief Compliance Officer for Momentum Global Investment Management, a global investment manager.

Members of the Committee bring with them a wide range of experience and skills which cover the various aspects of the Committee's work. Training has been available for members over the last 12 months which has ensured all members are able to contribute fully to the work of the Committee and fulfil their roles professionally.

At the end of March 2025, Phil Bearpark and Jean Gleave will stand down from the Committee. Phil has served 8 years on the Committee, including five years as Chair. Jean has served 4 years on the Committee.

A recruitment process is currently underway to find a replacement Chair and new member.

2023/2024

The Committee met regularly during the year, with all meetings held in person at the Constabulary HQ in Winsford. Meetings have covered a wide range of topics with particular focus on monitoring the strategic risk management framework to ensure that risks were adequately assessed, recorded and mitigated where possible.

The Committee has noted the Commissioner's budget proposals and have received a detailed presentation on the Priority Based Budgeting process that is used to arrive at the final budget.

We agreed the plans of both internal and external auditors and received their reports which we have examined to ensure that Cheshire Constabulary maintains the high standards of governance, finance and audit that the people of Cheshire would expect.

We have received copies of Internal Audit Reports prepared by the Mersey Internal Audit Agency (MIAA) and have monitored the implementation of the agreed management actions arising from these reports. Topics covered include Custody Referral Pathways and Neighbourhood Policing Framework and problem solving. The constabulary and PCC office have made excellent progress in closing actions raised by the internal audit reports.

The Committee also considered the Commissioner's and the Chief Constable's Statements of Accounts and Annual Governance Statements to provide assurance that they complied with the relevant requirements. During the year members have made a number of contributions to the narrative and content of the Annual Governance Statement. The work of the External Auditors has also been reviewed by the Committee to provide additional assurance that all relevant processes have been followed by the Commissioner and Chief Constable. The draft and final accounts were presented to the Committee and were very clearly explained to us.

For the first time, External Audit services have been provided by Bishop Fleming. The teams from the auditors, Constabulary and PCC office have worked well together. Audit of the accounts was completed ahead of the statutory deadline and the accounts are now published on the PCC website.

The Chair has held meetings with Senior Staff of the PCC and Constabulary. The Chair has also met with the Commissioner and Chief Constable. The Committee has been granted unfettered access to and received constructive engagement with all parties and received reports and assurances from relevant officers to enable it to address the full range of responsibilities within its Terms of Reference. The Committee is grateful to all who have given their valuable time to assist its work which has been well supported by senior staff from both the Constabulary and the Office of the PCC.

Effectiveness of the Committee

Committee Self-Assessment

CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022 sets out the purpose, model, core functions and membership of the Audit Committee. It represents CIPFA's view on the best practice and principles that should be adopted by the Audit Committee to meet their statutory responsibilities, this includes reporting annually on how the Committee has complied with their position statement, discharged its responsibilities, and include an assessment of its performance.

In September 2024, the Committee undertook a self-assessment exercise to assess performance against the principles contained in the CIPFA Position Statement. The areas reviewed were:

- Audit Committee purpose and governance
- Functions of the Committee
- Membership and support
- Effectiveness of the Committee

From the exercise, the Committee considers that it has performed well against the majority of the requirements of the CIPFA guidance and is therefore operating effectively.

Particular strengths highlighted by the Committee were: the level of engagement with a wide range of leaders and managers via thematic reviews and the creation of "Specified Point of Contact" roles and the work carried out on reviewing and updating the Annual Governance Statement.

No significant improvements were identified however, the Committee will

continue to carry out regular reviews and evaluation of effectiveness and ensure that an action plan is in place to improve any areas of weakness. In particular, to ensure an evaluation of knowledge and training needs of members is carried out and training arrangements put in place.

External Audit View

When evaluating the Constabulary's governance arrangements, the external auditor considers the effectiveness of the Audit Committee and will make recommendations for improvement if they have any significant concerns. No recommendations for improvement have been received.

The future

The Committee will continue our consideration of a number of areas including developing the risk management arrangements, updates on the Medium Term Financial Strategy, reviewing recommendations from Auditors including monitoring the implementation of recommendations.

Further information

For further information on the work of the Joint Audit Advisory Committee, its Terms of Reference, Minutes and Agendas, please refer to the website of the Police and Crime Commissioner for Cheshire. <https://www.cheshire-pcc.gov.uk/search?q=audit>

Phil Bearpark – MSc CEng MIMechE

Chair of the Joint Audit Advisory Committee of the Cheshire Police and Crime Commissioner and Chief Constable