

JOINT AUDIT ADVISORY COMMITTEE



Date: Wednesday, 30th November 2022

Time: 13:00

Venue: OPCC Meeting Room, Cheshire Constabulary Headquarters, Clemonds Hey, Winsford, CW7 2UA

Any member of the public who wishes to observe this meeting is asked to register their interest by midday on **Monday, 28th November 2022** via email to police.crime.commissioner@cheshire.police.uk. A link to enable access to the meeting and joining instructions will then be provided to all attendees in advance of the meeting.

AGENDA

Part 1 - Public Items

	Contact	Report Page
1. Minutes of the Joint Audit Advisory Committee <i>To approve the minutes of the Joint Audit Advisory Committee held on 29th September 2022.</i>	<i>P Bearpark</i>	3
2. Action Log <i>To consider the attached action log update.</i>	<i>P Bearpark</i>	6
3. Police & Crime Commissioner and Chief Constable Update	<i>D McNeilage/A Ross</i>	V

Public Items - For Advice

4. External Audit Annual Report 2021-22 <i>To consider the attached report by the External Auditor.</i>	<i>L Luddington</i>	7
5. Internal Audit Charter <i>To consider the attached document from the Internal Auditor.</i>	<i>A Harrop</i>	30
6. JAAC Terms of Reference <i>To consider the attached document from the OPCC Chief Finance Officer</i>	<i>C Hodgson</i>	39
7. JAAC Forward Plan Review <i>To agree the attached forward plan.</i>	<i>P Bearpark</i>	45

Public Items - For Information

8. Internal Audit <i>To consider the attached reports from the Internal Auditor.</i> <i>Internal Audit Charter</i>	<i>A Harrop</i>	46
(a) Internal Audit Progress Report		
(b) Data Migration Review Draft Terms of Reference		
(c) Business Services Future Controls Draft Terms of Reference		
9. Service Assurance Plan	<i>L Willis</i>	62

To consider the attached report from the Chief Constable.

10.	JAAC Annual Report 2021-22 <i>To consider the attached report from the JAAC Chair</i>	<i>P Bearpark</i>	70
11.	JAAC Member Recruitment <i>To consider the attached document from the OPCC Chief Finance Officer</i>	<i>C Hodgson</i>	75
12.	Update on PSAA External Auditor Procurement	<i>P Bearpark</i>	v
13.	Any Other Business	<i>P Bearpark</i>	v

PART 2

The following matters will be considered in private as they involve the likely disclosure of exempt information as defined in the Freedom of Information Act 2000, in accordance with the section indicated below: -

Item	Section
Action Log	(31) Law Enforcement
Internal Audit: Final Report	(31) Law Enforcement
Joint Strategic Risk Register	(31) Law Enforcement

Part 2 - Private Items

	Contact	Report Page
14. Minutes of the Joint Audit Advisory Committee <i>To approve the minutes of the Joint Audit Advisory Committee held on 29th September 2022.</i>	<i>P Bearpark</i>	-
15. Action Log <i>To consider the attached action log update.</i>	<i>P Bearpark</i>	-

Private Items – For Advice

16. Strategic Risk Register <i>To consider the attached report by Chief Constable/PCC.</i>	<i>L Willis</i>	-
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Private Items – For Information

17. Internal Audit Property and Evidence Management Review Final Report <i>To consider the attached report from the Internal Auditor.</i>	<i>A Harrop</i>	-
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For further information about this Agenda, please contact Clare Hodgson on 01606 364000.

Joint Audit Advisory Committee



Minutes of the Joint Audit Advisory Committee Meeting 29th September 2022 – Part 1

Present:

Phil Bearpark [Chair]
Jean Gleave [JAAC Member]

David Gilburt [Vice Chair]
Tony Snape [JAAC Member]

Office of the Police & Crime Commissioner

John Dwyer, Police & Crime Commissioner
Damon Taylor, OPCC Chief Executive

David McNeilage, Dep. Police & Crime Commissioner
Clare Hodgson, OPCC Chief Finance Officer

Cheshire Constabulary

Mark Roberts, Chief Constable
Wendy Bebbington, Head of Finance
Jerry Faulkner, Chief Accountant

Julie Gill, Assistant Chief Officer
David Bryan, Head of Legal Services
Paul Woods, Head of Planning and Performance

Internal Audit

Anne-Marie Harrop (MIAA)

External Audit

Liz Luddington (Grant Thornton)

Apologies: Michael Green, Director (Grant Thornton)

Part 1 - Public Items

1. Minutes of the Joint Audit Advisory Committee

The Minutes of the Joint Audit Advisory Committee held on 28th July 2022 were discussed and approved. The JAAC chair thanked LC for the new format minutes which the Committee were really pleased with.

2. Action Log – Reviewed by The Chair

3. Police and Crime Commissioner and Chief Constable Updates

Police and Crime Commissioner

GoodSAM

This has been installed in the FCC, as reported previously to the Committee, we are the first force to use this technology.

Additional Police Officers and Staff Recruitment

This is going well and we are on track to meet our target by the end of December 2022, which is 3 months prior to the end of the financial year.

101

Vast improvement between Q1 2021 and Q1 2022 on abandoned calls and average answer times.

Online Child Abuse Investigation Team

Over the past 4 years it is estimated that viewing indecent images of children online has risen by 400%. The National Crime Agency have estimated that there are 700,000 active paedophiles on the internet in this country, which highlights the need for policing to be active online as well as visual policing on the streets. The 10 Detective team has now risen to 46 to enable the team to focus on this issue and safeguard and protect vulnerable children.

Road Safety

A competitive procurement process on average speed camera enforcement system has concluded and there is a preferred supplier. It is hoped the installation of these cameras will be in the next few months. Decision made to pilot the innovative use of an acoustic camera; Cheshire East Council have approved this 3 month pilot.

Community Action Fund

The fund is now re-opened; this fund makes £100,000 available each year for projects that benefit local communities by working towards improving the safety of individuals in the area (in particular crime and anti-social behaviour). Applications for up to £5,000 can be submitted up until the 30th November 2022.

999 British Sign Language

The 999 British Sign Language tool is now in place which allows individuals who are deaf to use 999 in their first language by linking them to an interpreter who passes the message to the Force Control Centre. This is being looked at for the 101 service also.

Thin Blue Paw Awards

One of our dog handlers, PC McDonough, and Police Dog Toro, have received national recognition for their work, by winning The Crime Fighting Duo Award, at a presentation ceremony hosted by the Thin Blue Paw Foundation.

Statement of Accounts

A discussion was held around the national issue of audit valuations of assets and pension fund figures. **Liz Luddington and Wendy Bebbington** explained why this process must be adhered to. Questions were taken and answered from the attendees.

ACTION – Draft joint letter to be prepared to for the Commissioner and Chief to view. Clare Hodgson

Chief Constable

Current Dashboard Figures

The Chief Constable went through the positive upward trajectory on call response times. Since the commencement of the current Command Team and The Commissioner taking post the number of outstanding crimes have dropped from over 22,000 to 11,500/12,000 crimes.

Positive outcomes for rape and sexual offences. Cheshire are at the top of the table.

Charge and outcome rates for Domestic Abuse, Cheshire are nationally leading.

Overall outcomes in identifying offenders and bringing them to justice has risen from 8% to 18%.

Organisational – we are being responsive to the change in the current financial position.

Op London Bridge

Cheshire Officers were a significant contributor to this event with over 100 officers in London, including two protection officers within Westminster Abbey. Very positive feedback from the Met Bronze Commander regarding our officers and how they conducted themselves. Correspondence also received from a member of the public in relation to the help he had received.

Proclamation of the King – Feedback from the public was very positive at this event with officers praised for their smartness and friendliness. Members of the public wanted to interact with them.

Part 1 - Public Items – For Advice

4. Statement of Accounts 2021/2022

Wendy Bebbington stated that the Audit had been largely completed and wanted to thank Liz Luddington and Jerry Faulkner and their teams for their assistance in reaching this point. No significant changes or items to bring to the attention of the Committee as the figures are as those reported in July. Phil Bearpark confirmed the Committee did not have any questions and passed on their thanks for getting the Accounts to this stage at this time of year.

5. Annual Governance Statement

Clare Hodgson thanked Jean Gleave for her help with the updated document. **Jean Gleave** noted that DCC Armitt's name had been used in the document rather than his role as with all others.

ACTION – Annual Governance Statement to be amended. Clare Hodgson

6. External Audit

Liz Luddington thanked all involved for a very 'clean' set of accounts and gave an update in relation to the external Audit.

The audit of financial statements is substantially complete and subject to outstanding queries being resolved, it is expected that an unqualified audit opinion will be issued for the PCC and Chief Constable.

Assurances from the Cheshire Pension Fund Auditor is outstanding, which affects all authorities in Cheshire, therefore, nobody is able to sign off paperwork until this is received.

A discussion took place on the actions from the previous year. **The Commissioner** asked whether the follow up on actions from the previous year which were addressed through management responses

could be highlighted in a different way to avoid a 'cross' each year on the accounts, which could be interpreted differently by people viewing the accounts.

ACTION – Cross to be changed to another symbol for follow up actions already discussed. Grant Thornton

David Gilbert asked for confirmation that if there were any changes to the Outstanding Pension Valuation that it would not alter the accounts. **Liz Luddington** confirmed that this would not impact the bottom line.

The Chair thanked the Constabulary and Grant Thornton for an excellent audit and asked the Committee for their agreement that once the pension information was received to advise the Commissioner and the Chief to sign off the document.

Tony Snape requested that an email be sent to the Committee when the pension information has been received.

ACTION – Email to be sent once outstanding Pension Valuation information received. Liz Luddington

Clare Hodgson thanked Wendy Bebbington and Liz Luddington and their teams for the excellent work they have carried out to enable us to get to the point we are now.

7. JAAC Forward Plan Review

The Chair confirmed details of the Forward Plan.

Part 1 - Public Items – For Information

8. Internal Audit Plan

Anne-Marie Harrop gave an update in relation to the Internal Audit Plan. It was confirmed that there have been no changes to the audit plan and timescales for audits remain on target.

Jean Gleave noted that on Page 35 there were references to the NHS and requested if this could be updated.

ACTION – NHS reference to be amended on the NFI Briefing Report. Anne-Marie Harrop

9. Service Assurance Plan

Paul Woods provided an update on the Service Assurance Plan. **The Chair** commented on the usefulness of this document, especially as the information is so up to date within it.

10. Any Other Business

The Chair discussed the recruitment process and timeline for Committee members. **Clare Hodgson** confirmed that she will bring a timeline to the next meeting. **The Chair** requested a more involved role in the recruitment process going forward. **The Commissioner** and **Chief Constable** agreed to this inclusion. **The Chair** also explored the possibility of recruiting an extra Committee member if there were two applicants of a high calibre. The PCC agreed this possibility will be considered subject to candidate suitability.

Auditor's Annual Report on the Police and Crime Commissioner and Chief Constable for Cheshire

2021/22

November 2022



Contents



We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Police and Crime Commissioner and Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner and Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Executive summary



Value for money arrangements and key recommendation(s)

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Police and Crime Commissioner (PCC) and Chief Constable (CC) have put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources.

Auditors are required to report their commentary on the PCC and CC's arrangements under specified criteria and 2021/22 is the second year that we have reported our findings in this way. As part of our work, we considered whether there were any risks of significant weakness in the PCC and CC's arrangements for securing economy, efficiency and effectiveness in their use of resources. Our conclusions are summarised in the table below.

Criteria	Risk assessment	2020/21 Auditor Judgment	2021/22 Auditor Judgment
Financial sustainability	No risks of significant weakness identified.	No significant weaknesses in arrangements identified	No significant weaknesses in arrangements identified, but improvement recommendation made
Governance	No risks of significant weakness identified.	No significant weaknesses in arrangements identified, but improvement recommendation made	No significant weaknesses in arrangements identified, but improvement recommendation made
Improving economy, efficiency and effectiveness	Risk identified in respect of MFSS and any potential implications arising from the close down.	No significant weaknesses in arrangements identified, but improvement recommendation made	No significant weaknesses in arrangements identified.

- No significant weaknesses in arrangements identified or improvement recommendation made.
- No significant weaknesses in arrangements identified, but improvement recommendations made.
- Significant weaknesses in arrangements identified and key recommendations made.

Executive summary (continued)



Financial sustainability

The PCC and Chief Constable have a good track record of sound financial management and delivered an overall underspend in year, after taking into account central Government funding and the planned use of reserves. The PCC and Chief Constable understood the financial risks which they faced and managed these risks by maintaining an appropriate level of reserves. Overall we are satisfied that the PCC and Chief Constable had appropriate arrangements in place to manage the risks they faced and continue to face in respect of financial resilience and we have not identified any risks of significant weakness. We have made an improvement recommendation due to the macro-economic uncertainty and recent rises in inflation.



Governance

Overall, we found no evidence of significant weaknesses in the PCC's or Chief Constable's governance arrangements for ensuring that they made informed decisions and properly managed risk. In 2020/21 we made an improvement recommendation about the integration of finance into performance management reporting. Although management have made some progress on this, they acknowledge this could be developed further and therefore this remains a recommendation for 2021/22.



Improving economy, efficiency and effectiveness

The OPCC and Constabulary have put in place effective arrangements to improve economy, efficiency and effectiveness. This includes significant collaboration with Cheshire fire and rescue and other police forces. As part of our planning process we identified a potential risk of significant weakness in respect of MFSS and we raised an improvement recommendation in respect of the close down in 2020/21. Our work has identified no significant weaknesses in the transition, and Phase 1 of the transition has now been successfully completed.



We have completed our audit of your financial statements and issued an unqualified audit opinion on 8 November 2022, following the Audit Committee meeting on 29 September 2022. We did not need to utilise any of our additional statutory powers. Our findings are set out in further detail on page 17.



Securing economy, efficiency and effectiveness in the PCC and CC's use of resources

All PCCs and CCs are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The PCC and CC's responsibilities are set out in Appendix A.

PCCs and CCs report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the PCC and CC have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



Financial Sustainability

Arrangements for ensuring the PCC and CC can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the PCC and CC make appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the PCC and CC make decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the PCC and CC delivers their services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on the PCC and CC's arrangements in each of these three areas, is set out on pages 6 - 15. Further detail on how we approached our work is included in Appendix B.

Financial sustainability



We considered how the PCC and CC:

- identifies all the significant financial pressures that are relevant to their short and medium-term plans and builds them into their plans
- plans to bridge funding gaps and identify achievable savings
- plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures the financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system
- identify and manage risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

Overview of the Arrangements to ensure financial sustainability

Priority based budgeting (PBB) remains the main driver behind financial sustainability, it is a very detailed and in-depth review of the whole organisation, encompassing workforce, finance and delivery and is implemented as part of the business planning process. Budget managers present to panels setting out what demands or changes are affecting their areas and as a result what they need in terms of resources, funding etc. as well as demonstrating what Cheshire Police will get from those resources. It is a pan-organisation process with the relevant Heads of Department at the forefront of the Panels. While either the Chief or Deputy run the Panels and scrutinise from an operational viewpoint, the Heads of Finance, Workforce Planning, Planning and Performance and Strategic Change are all on the Panels as advisors so that decisions made consider all appropriate areas. This is linked to the overall strategic planning process which produces the Force Management Statement as well as encompassing the Police and Crime Plan for 2021/22 and anything required from HMICFRS. Sensitivity analysis and scenario modelling is also conducted as part of the budget preparation. This includes securing general reserves and considering major risks.

The Medium Term Financial Strategy (MTFS) is embedded within the annual budget setting cycle to provide a longer term view of priorities and demand for services. Council Tax assumptions are a key element of planning and the Constabulary work closely with their Billing Authorities to understand assumptions around the Council Tax base and also the surplus/deficit on the Collection Funds. The Comprehensive Spending Review and Government Settlements are reviewed on an ongoing basis to try and model future resource envelopes that Cheshire will operate in. Although there was a spending review setting out indicative police figures through to 2025, there is still no long-term certainty. This uncertainty, combined with recent rises in inflation and other macro-economic uncertainty, means that the future financial position is very challenging.

The current capital programme is reflected in the estates strategy, environmental strategy and fleet strategy, which were approved in October 2021. The impact of these strategies is reflected in the MTFS and includes investment in estates and ICT over the next 4 years as well as annual replacement schemes of fleet vehicles. The PCC is planning capital investment of £60.1m over the MTFS period 2022/23 to 2026/27, which is primarily funded from a combination of revenue contributions to capital and borrowing. As part of the annual refresh of the Capital Programme, capital projects are reviewed. This process runs alongside the revenue budget preparation and associated running costs of capital projects are built into the revenue budget at this stage. The Commissioner sets and reviews a number of prudential indicators showing the proposed capital expenditure plans, how they are to be funded, the impact on the organisation's finances and their affordability in terms of the impact on revenue budgets.

In addition to the Capital Strategy, the workforce plan is managed closely to ensure financial and HR data is matched. Workforce planning provide all the profiles of officer recruitment, leavers, retirees etc., and the funding requirements are matched to this profile. This also links into the people strategy for 2021-2024. Finance also proactively liaise with HR where there are vacancies to ensure any short-term or longer-term savings and opportunities are identified.

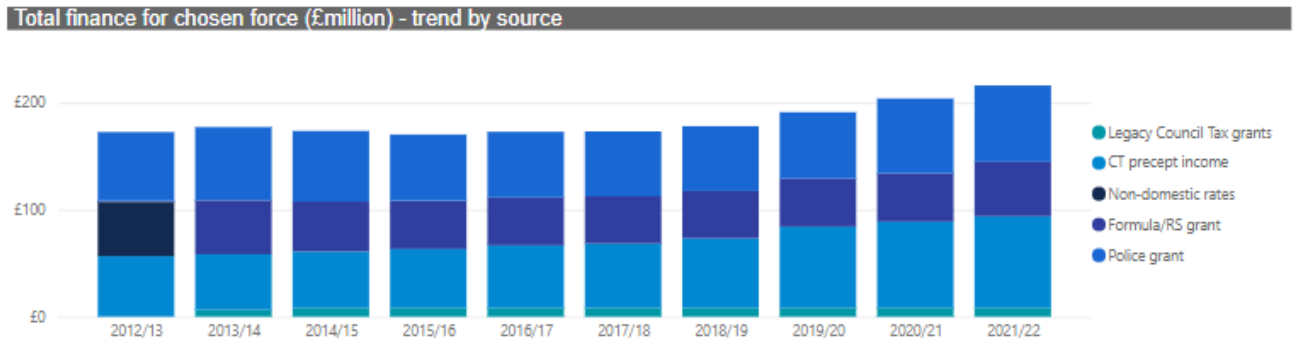
Financial sustainability (continued)

Key Financial Assumptions

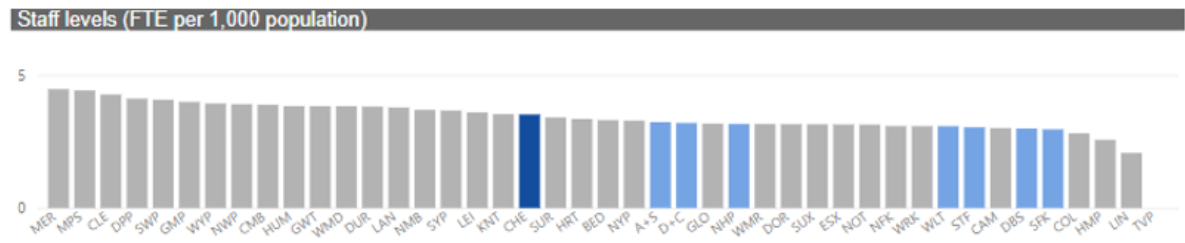
The main financial assumptions in the MTFS relate to funding and pay increases. The MTFS presents different scenarios and indicates the impact of a 0.5% change in funding, council tax, tax base and pay.

The funding figures indicated in the spending review have been included in the MTFS with an assumption of 1.5% for the final 2 years of the MTFS. This appears a reasonable basis.

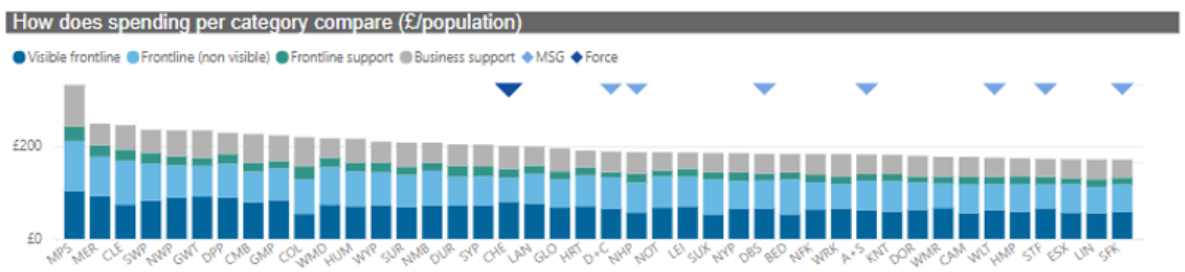
Precept increases are subject to the Commissioner’s approval each year but the MTFS assumes it will be set at a £10 increase for a Band D property (4.4% increase for the period covered by the spending review) and 2% for the final 2 years. There is a risk on the ability of local authorities to recover council tax and therefore on the collection funds achieving their forecast income levels, particularly given the macro-economic uncertainty. The MTFS has updated its historic surplus forecast to show a nil position on the collection funds for the foreseeable future. These assumptions are informed via liaison with the Billing Authorities. The chart below uses data taken for Cheshire from the HMICFRS Value for Money profile for 2021/22 and shows the sources of funding for Cheshire from 2012/13 to 2021/22.



Pay is typically the largest area of expenditure for the Constabulary (around 75%), and hence forms a significant portion of the budget allocation from the PCC. The graphs opposite, again taken from the HMICFRS 2021/22 data show that Cheshire sits just above the middle of police forces when looking at both staffing levels and staffing spend, therefore supporting the conclusion that workforce assumptions are appropriate.



Within the MTFS, 3% pay inflation has been assumed for 2022 and 2% thereafter. This appeared reasonable in December 2021 when the MTFS was approved, however the announcement in July 2022 that police officers will get a pay award of £1,900 from 1 September 2022 means it no longer is. The rise equates to an 8.8% increase for the lowest paid officers – and is equivalent to a 5% overall pay award when all ranks and pay scales are taken into account. This will create significant challenge on a MTFS that already identified a £4m savings requirement for 2022/23.



Financial sustainability (continued)

Performance

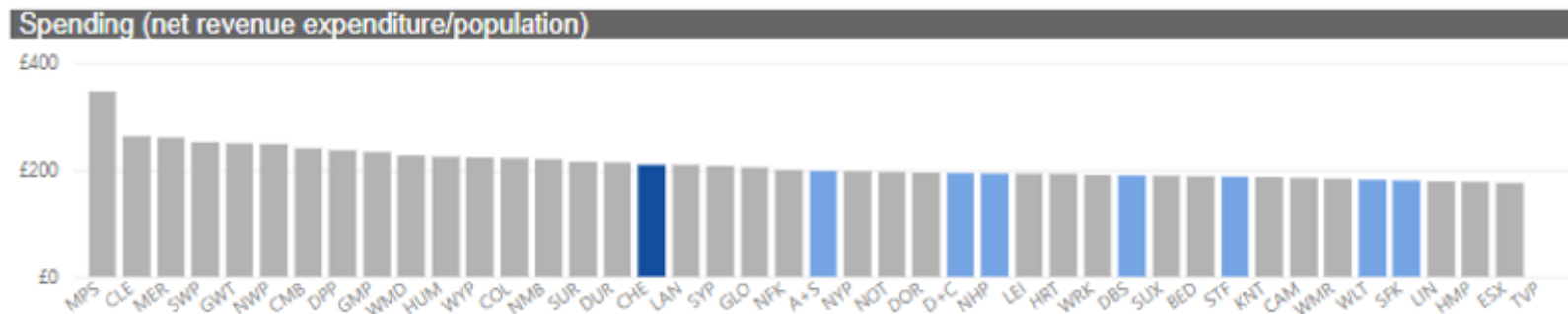
The OPCC and Constabulary have faced financial challenges in 2021/22 and these will continue through to 2022/23 and be exacerbated by the macro economic climate. Despite this, a sustainable financial position has been achieved and for the financial year 2021/22 Cheshire Police reported an overall underspend on budget of £0.2m. This has been achieved in the context of Covid -19 cost pressures as well as a huge amount of national political turmoil over the last 18 months, set against a backdrop of short-term funding by necessity.

Cheshire Police has a good track record of savings delivery where required, which is driven by their PBB and good resource management. Non-pay expenditure is also monitored monthly to identify where savings can be produced and to monitor efficiencies. The OPCC undertook public consultation on this year’s budget, seeking views on local policing, contact and engagement, crime and anti-social behavioural issues and views towards the Council Tax precept to help inform the budget. It is clear that these consultations fed into the overall budget that was set.

Operational performance is monitored at monthly force performance days and then quarterly performance reviews and there are also quarterly financial updates where outturn to budget position is reported. This demonstrates a robust approach to monitoring and developing savings and ensuring that they are monitored appropriately in the budget.

Conclusion

Our work has not identified any risk of significant weakness with regard to financial sustainability. The following chart, taken from the HMICFRS value for money dashboards for 2021/22, shows the spending for Cheshire compared to other forces and does not identify any cause for concern. We have made an improvement recommendation around the need for a robust change programme that identifies additional recurrent savings given the likelihood that the budget gap will increase further given the current economic climate and inflationary pressures. Given the addition of a strategic risk in respect of the MTFS we also recommend considering a formal mid-year review of the in-year MTFS, including assumptions. See Page 9 for the full recommendation



Improvement recommendation

Financial Sustainability

Recommendation 1 Given the likelihood that any budget gaps will increase further given the current economic climate and inflationary pressures, we recommend consideration should also be given to introducing a formal and more frequent review and sensitivity analysis and scenario planning on key assumptions and estimates within the MTFS. This will provide transparency on the sector wide uncertainties the PCC and CC is subject to and the potential impact of these on its financial sustainability.

Why/impact

It is important that the PCC/CC identifies and delivers efficiency savings in order to achieve a balanced budget position on an annual basis. In addition, regular review of MTFS assumptions will help to ensure ongoing accurate financial forecasting and allow for appropriate timely action. Performing a formal mid-year review of the MTFS assumptions, sensitivity analysis and scenario planning to the PCC and CC will provide the opportunity for challenge, scrutiny, oversight and improve the accuracy of forecasting.

Auditor judgement

Greater agility on financial management is required given current financial uncertainties, regular review and challenge of the MTFS assumptions to help ensure financial forecasts remain accurate. Forecast budget gaps are likely to be understated given the current economic climate and inflationary pressures.

Summary findings

MTFS assumptions are updated annually as part of the annual budget setting process and sensitivity analysis and scenario planning is undertaken as part of the development of the budget. There is a mid-year review, however this is not currently formalised. Given the significant changes in certain assumptions, e.g. pay inflation and fuel and energy increases these will need adjusting and any increased budgetary gaps will need saving programmes to support bridging those gaps.

Management comment

Accepted. The MTFS figures and assumptions are reviewed regularly and updated as necessary to inform the monthly budget briefing to SCT. We also discuss at the JSDG sessions, however we do not report these formally. We can build in a mid year formal review into the standard reporting cycle.



Governance



We considered how the PCC and CC:

- monitor and assess risk and gain assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out the annual budget setting process
- ensure effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensure they make properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- monitor and ensure appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (such as gifts and hospitality or declaration/conflicts of interests) and where it procures and commissions services.

Overview of governance arrangements

The OPCC and Constabulary have established effective governance arrangements around financial oversight, risk management and review. Our work has not identified any risks of significant weakness in arrangements with regards to governance, although we have re-raised an improvement recommendation in respect of performance reporting.

The Force has demonstrated that they have an appropriate annual budget setting process in place with the PBB process. Key stakeholders are involved in the process, which includes timely approvals and budget reviews. Service activity against plan is presented and integrated into the budget and then into monthly performance reports to allow review and challenge and quarterly financial reporting on the budget versus outturn position to senior management and TCWG. The budget plan is supported with comprehensive medium term financial plans with budget setting principles informed by the medium term strategy and engagement with external stakeholders.

Financial plans are reviewed by budget holders as part of the PBB process. These are assessed by senior leaders at timetabled Panel meetings. Once the final budget is signed off by the PCC, Directorate budget holders are provided with details of their budget and the responsibilities of budget ownership. Budget holders are required to accept their budget and acknowledgement of their responsibilities and the Budget Book for the year is published on the PCC's website detailing the budgeted amount by budget holder. This sets clear lines of accountability throughout the organisation relating to financial management.

There are various policies and procedures in place which monitor and ensure compliance with legislation and regulatory standards. The PCC's website has a section with a list of policies, which include all key policies that we would expect to see. These are available online to the public.

Arrangements in place to identify strategic risks

There is a strategic risk register in place which details and outlines all of the strategic risks and which is reviewed by TCWG, senior management and the JAAC as part of the private section of the meeting. These are risk scored, RAG rated and there are controls in place for each risk as well as actions, action owners, target dates and review dates. The planning, performance and risk manager provides TCWG and JAAC with an overview and explanation of each of the strategic risks on the register. At the end of 2021/22 there were 9 key risks being identified and the reporting included the processes by which they were being managed.

Decision making process

The Force's meetings structure ensures that papers and business cases etc are routed through the appropriate meetings for scrutiny, challenge and agreement before being presented for approval by the CC and the PCC. There are quarterly performance reviews which build on the force performance days which are held monthly.

During the year there are also monthly budget monitoring meetings of the Senior Manager Team. These monthly meetings feed into the quarterly reports which are reported to the Chief Officers Group and Joint Management Board and also include the capital programme and how they are progressing as well as covering debt and debt management. These form the basis of the formal quarterly reports, which are published on the PCC's website.

Governance (continued)

There are mechanisms in place to allow intervention on a monthly basis if budget performance isn't on track. Workforce planning and finance are closely monitored and use joint data. However, although service activity, workforce and financial information is reported to senior management, these are not integrated reports. Operational and financial performance are not yet quite integrated on in year-reporting although they are very much linked as part of the PBB process and we note that the key cost drivers around staff are monitored. The CIPFA publication from May 20 'integrated reporting application note' highlights that Integrated reporting can help public sector entities to respond better and to communicate with greater effect how they develop strategies that add value over time.. Given the uncertainty in the macro-economic environment financial performance data will become ever more important. As in 2020/21, we recommend that Cheshire Police look at integrating financial performance reporting with service delivery performance reporting. Although management have made some progress on this, they acknowledge this could be developed further and therefore this remains a recommendation for 2021/22 - see page 12 for full recommendation.

Maintaining of standards

As noted in their 2021/22 Annual Governance Statement, Cheshire Police have various key documents that set out the key internal financial controls including financial Regulations, Scheme of Delegation, Treasury Management Strategy, Treasury Management Practices and the Reserves Strategy. In addition to the above, there are a series of governance checks and controls carried out through the Finance and HR teams to ensure financial systems are operating effectively. These are supported by periodic Internal and External Audit reviews to provide appropriate assurance to those charged with governance or produce actions plans where necessary.

Internal audit is provided by Mersey Internal Audit Agency. Their Head of Internal Opinion for 2021/22 concluded that there was overall substantial assurance, i.e. that that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently. Their report on financial systems gave high assurance.

The PCC and CC have in place a Code of Conduct for staff relevant to all staff and a Confidential Reporting Policy with related procedures. New staff, Officers, contractors and members have tailored induction programmes. Reporting channels are set out in the policies and procedures which include whistle-blowing arrangements and whistle blower protections. Staff are required to report when they become aware of activities which they reasonably believe to be illegal, improper, unethical or otherwise inconsistent with this Code, they should report the matter, acting in accordance with the Commissioner's Confidential Reporting Procedure. The Chief's plan on a page (pictured opposite) outlines how the Code of Ethics underpins the purpose of the Constabulary. Our review has not identified any evidence of significant non-compliance with key policies nor and significant non-compliance with key Codes, including CIPFA FM Code. We have not identified any significant weaknesses in Cheshire Police's governance arrangements.

Cheshire Constabulary Our plan on a page 2022/23

Our purpose – the reason we are here

“Delivering Even Safer Communities for the whole of Cheshire”

- Prevent and tackle crime
- Make Cheshire's roads safer
- Deliver justice for victims of crime
- Protect vulnerable and at-risk people
- Modernise our police service

Improve public confidence in policing

Operationally how we will deliver our purpose

- Deliver outstanding neighbourhood policing and protect the vulnerable
- Proactively understand and prevent crime and harm
- Tackle crime and antisocial behaviour

What success looks like

- Dealing well with contact from the public
- Providing a good response
- Safeguarding the vulnerable and those at risk
- Fewer victims
- Less repeat victimisation
- Less re-offending
- Effective problem solving
- Strong management of offenders and suspects
- Creating a hostile environment for criminals
- Justice for victims
- Disrupting Serious Organised Crime
- High quality, timely investigations

The foundations for our success

- Deliver excellent victim focused service
- Listen communicate and engage effectively
- Use technology and data to transform services
- Create an inclusive workforce, attract and retain our talent
- Efficiency and productivity ensuring value for money
- Equip, support and protect the workforce and their wellbeing
- Visible leadership

We will ensure that we deliver in line with the Code of Ethics

Accountability Fairness Honesty Integrity Leadership Objectivity Openness Respect Selflessness

Improvement recommendation



Governance

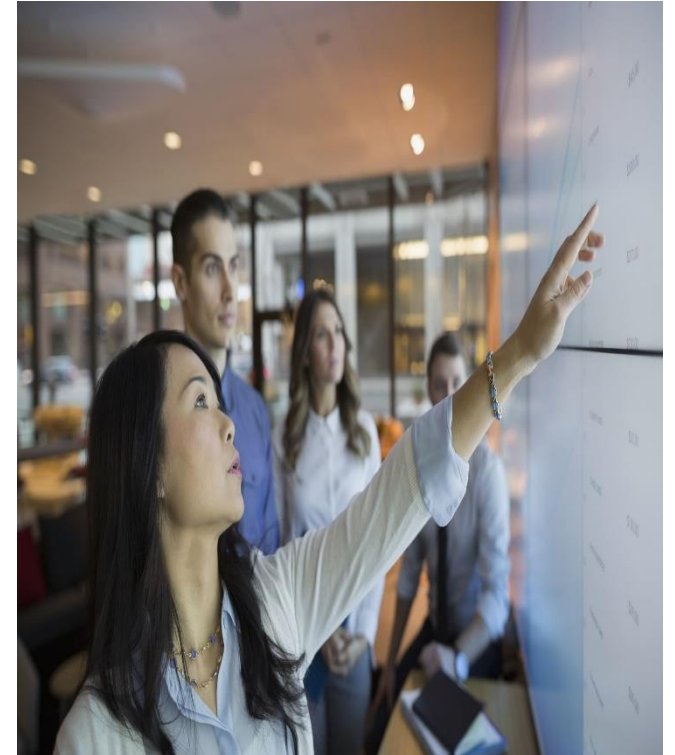
Recommendation 2 We recommend, as in 2020/21, that Cheshire Police look at integrating financial performance reporting with service delivery performance reporting.

Why/impact The global push towards greater accountability and transparency across all sectors has prompted organisations to take deliberate steps to improve their financial management systems and reporting practices. However, in the last decade or so there has been much discussion of the need for organisations to report more effectively to stakeholders on their performance, viability and future projections. Given the current macro-economic conditions it is even more important that financial performance is aligned with operational performance.

Auditor judgement Integrated reporting is a key component of good governance. The International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) emphasises “the need for integration in both reporting and organisational performance and makes explicit reference to Integrated reporting. With the growing demands on public services, public sector entities are compelled to identify new and better ways of doing business and convince their stakeholders of how they will continue to achieve their objectives and targets

Summary findings Although management have made some progress on this recommendation, they acknowledge this could be developed further and progress from consideration of financial alongside operational to integration of financial performance.

Management comment Accepted - the Constabulary will continue to look at how it can integrate financial performance within the wider performance framework in a meaningful and sustainable manner.



The range of recommendations that external auditors can make is explained in Appendix C.

Improving economy, efficiency and effectiveness



We considered how the PCC and CC:

- use financial and performance information to assess performance to identify areas for improvement
- evaluate the services they provide to assess performance and identify areas for improvement
- ensure they deliver their role within significant partnerships and engage with stakeholders they have identified, in order to assess whether objectives are being met
- where they commission or procure services assess whether they are realising the expected benefits.

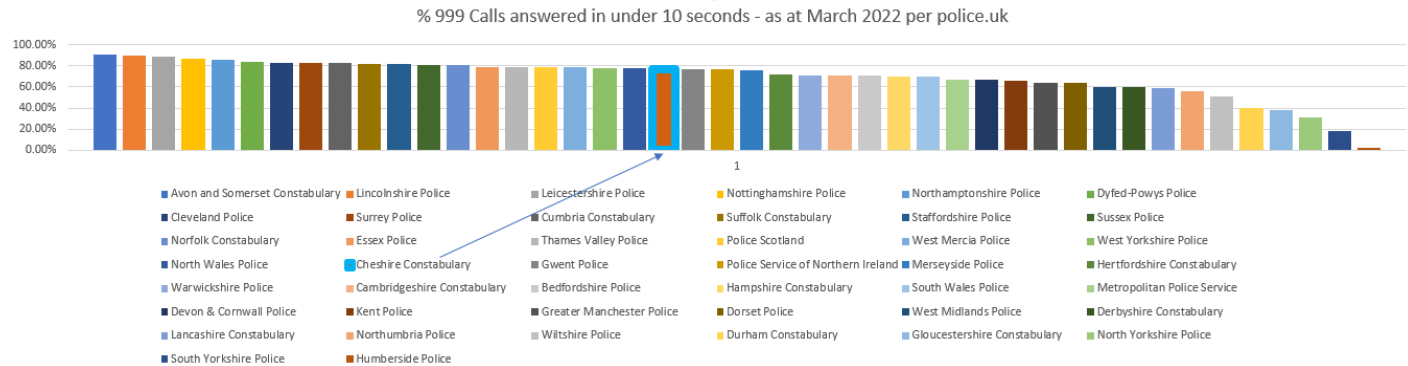
Overview of Arrangements for improving economy, efficiency and effectiveness

The OPCC and Constabulary have put in place effective arrangements to improve economy, efficiency and effectiveness. This includes collaboration with Cheshire fire and rescue in regard to various support functions. In addition, Cheshire Police has a number of significant collaborations, primarily with other Police Forces, and these have robust arrangements in place to monitor them. There is a detailed collaborations register for each collaboration which covers governance and financial arrangements.

As part of our planning process we identified a potential risk of significant weakness in respect of MFSS and we raised an improvement recommendation in respect of the close down in 2020/21. Our work has identified no significant weaknesses in the transition, and Phase 1 has now been successfully completed.

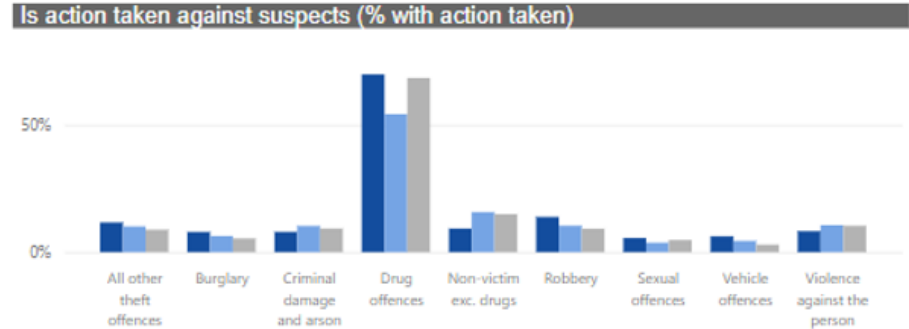
There are regular performance monitoring processes in place and the main one is the monthly force performance meeting. Key performance metrics are reviewed such as telephony metrics, response times, recorded crime levels, investigation outcomes as well as satisfaction surveys.

The chart below, taken from data from police.uk, shows that Cheshire is performing reasonably well, for example on the % of 999 calls answered in less than 10 seconds, they were in the middle of UK forces in March 2022 with 77.2%.



Improving economy, efficiency and effectiveness (continued)

The HMIC data also shows that Cheshire is performing well in terms of taking action against suspects, with the graph opposite showing that in most areas Cheshire is ahead of both its Most Similar Group (MSG) and all forces



Our judgments

Our inspection assessed how good Cheshire Constabulary is in ten areas of policing. We make graded judgments in nine of these ten as follows:

Outstanding	Good	Adequate	Requires improvement	Inadequate
	Preventing crime	Investigating crime	Responding to the public	
	Treatment of the public	Protecting vulnerable people	Managing offenders	
	Developing a positive workplace	Good use of resources		
		Recording data about crime		

We also inspected how effective a service Cheshire Constabulary gives to victims of crime. We don't make a graded judgment in this overall area.

The Constabulary is also subject to inspection by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) and there was a PEEL Inspection during 2021/22. The highlights of this review are pictured opposite and it shows that no areas of the Constabulary were either inadequate or outstanding. There are detailed action plans in place to respond to the findings of the inspection.

Commissioning and procurement

The Constabulary has a Contracts and Procurement Strategy in place. There is a joint corporate strategic procurement department with Cheshire Fire to provide value for money in the procurement of goods and services for the Commissioner and Constabulary. The overall approach for procurements is that they will follow the financial regulations for procurement. There is a new procurement strategy in place from 2021 which includes a suite of KPIs and measures to be implemented.

Cheshire Police has a significant PFI scheme for its headquarters, which started in 2003 and has a 30-year operational contract. This contract is well-managed.

Our work has not identified any risks of significant weakness in the arrangements with regards to improving economy, efficiency and effectiveness nor is there any evidence of failure to monitor performance particularly with outsourced contracts or services.

MFSS and Business Services Future



Risk of significant weakness identified at planning

Background

MFSS was a collaboration between the Cheshire Constabulary, Northamptonshire Police, Nottinghamshire Police and Civil Nuclear Constabulary supported by Technology partners Capgemini. MFSS will no longer be supported from 2023 and the collaboration came to an end in 2022. There were programmes in place to manage the process of rolling down transition as well as putting in place and transitioning to new systems. There was a potential risk of reputational damage if the transfer was not successful.

Process

There were regular reviews to ensure progress against plan was monitored and also regular financial reviews which monitor outturn versus budget and any financial implications arising from the close down process.

The transition went very smoothly and Phase 1 of the transfer is now closed and the strategic risk in respect of the programme has been proposed to be closed down.

The image opposite is extracted from the programme closure report presented at the September JAAC meeting and shows the delivery against the programme plan and that all parts were complete at September 2022. The report also included the benefits from the programme.

Conclusion

Having reviewed the arrangements made in respect of MFSS and the transition to new systems, as well as reviewing the reporting and monitoring arrangements in respect of all collaborations, we have not identified any significant weaknesses. Given the transition went smoothly and the strategic risk and initial phase linked to the project are being closed, we have concluded that the risk identified at planning is not indicative of any significant weakness in arrangements.

TIME



The programme was scheduled to deliver on 1 April 2022. A replan took place and DMS was delivered on 20 June 2022 and Unit 4 was delivered on 4 July 2022 along with Alemba.

RISK



There are no outstanding risks.

STABILITY



All systems are running as expected.

COST



The programme has delivered within the agreed budget.

Follow-up of previous recommendations

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
1	We recommended that Cheshire Police look at integrating financial performance reporting with service delivery performance reporting. One way to achieve this could be to require reports to have a financial input from Finance Business Partners before they can be agreed.	Improvement	November 2021	Although management have made some progress on this, they acknowledge this could be developed further and therefore this remains a recommendation for 2021/22.	In part	Re-raised in 2021/22
2	The PCC and Chief Constable should ensure ongoing monitoring of the outcome of the arrangements to transfer services out of MFSS to ensure it meets the proposed timelines or where these need to change controls put in place for the associated implications.	Improvement	November 2021	The transition has happened successfully. Phase 1 of the project is complete and the strategic risk in respect of it has been recommended to be closed.	Yes	No

Opinion on the financial statements



Audit opinion on the financial statements

We gave an unqualified opinion on the PCC and CC's financial statements on 08 November 2022.

Audit Findings Report

More detailed findings can be found in our AFR, which was published and reported to the PCC and CC at the JAAC meeting on 29 September 2022.

Preparation of the accounts

The PCC and CC provided draft accounts in line with the national deadline and provided a good set of working papers to support it.

Grant Thornton provides an independent opinion on whether the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation



Appendices

Appendix A – Responsibilities of the Police and Crime Commissioner and Chief Constable

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) or equivalent is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the PCC and CC's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the PCC and CC will no longer be provided.

The PCC and CC are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B – Risks of significant weaknesses, our procedures and findings

As part of our planning and assessment work, we considered whether there were any risks of significant weakness in the PCC and CC's arrangements for securing economy, efficiency and effectiveness in their use of resources that we needed to perform further procedures on. The risks we identified are detailed in the table below, along with the further procedures we performed, our findings and the final outcome of our work:

Risk of significant weakness	Procedures undertaken	Findings	Outcome
Improving economy, efficiency and effectiveness - MFSS collaboration coming to an end in 2022. There was a potential risk of reputational damage if the transfer was not successful - see page 15 for further information	We reviewed: <ul style="list-style-type: none"> - the arrangements made in respect of MFSS and the transition to new systems, including the programme closure report; - the reporting and monitoring arrangements in respect of collaborations, including MFSS; and - the strategic risk register entry in respect of the transfer. 	Given the transition went smoothly and the strategic risk and the initial phase linked to project are being closed, we have not identified any significant weaknesses.	Appropriate arrangements in place no further action taken.

Appendix C – An explanatory note on recommendations

A range of different recommendations can be raised by the PCC's and CC's auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the PCC and CC under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	No	N/A
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the PCC and CC. We have defined these recommendations as 'key recommendations'.	No	N/A
Improvement	These recommendations, if implemented, should improve the arrangements in place at the PCC and CC, but are not a result of identifying significant weaknesses in the PCC and CC's arrangements.	Yes	09, 12

Appendix D - Key acronyms and abbreviations

The following acronyms and abbreviations have been used within this report

AAR – Auditor’s Annual Report

AFR – Auditor’s Findings Report

CC – Chief Constable

HMIC - His Majesty’s Inspectorate of Constabulary

HMICRFS - His Majesty’s Inspectorate of Constabulary and Fire & Rescue Services

JAAC – Joint Audit Advisory Committee

MFSS – Multi Force Shared Services

MSG – Most Similar Group (the Forces Cheshire is benchmarked against)

MTFS – Medium Term Financial Strategy

NAO – National Audit Office

OPCC – Office of Police and Crime Commissioner

PBB – Priority Based Budgeting

PCC - Police and Crime Commissioner

PEEL - Police Efficiency, Effectiveness and Legitimacy programme

RAG – Red, Amber, Green

TCWG – Those Charged with Governance (for Police organisations this is the Police & Crime Commissioner and the Chief Constable)



Internal Audit Charter

Police and Crime Commissioner for Cheshire and Cheshire
Constabulary

Contents

- 1 Introduction & Background
- 2 Standard 1000 - Purpose, Authority and Responsibility
- 3 Standard 1100 - Independence and Objectivity
- 4 Standard 1200 - Proficiency and Due Professional Care
- 5 Standard 1300 - Quality Assurance and Improvement Programme
- 6 Standard 2000 - Managing the Internal Audit Activity
- 7 Standard 2100 - Nature of Work
- 8 Standard 2200 - Engagement Planning
- 9 Standard 2300 - Performing the Engagement
- 10 Standard 2400 - Communicating Results
- 11 Standard 2500 - Monitoring Progress
- 12 Definitions

1 Introduction & Background

The Internal Audit Charter is mandated through the Public Sector Internal Audit Standards (2016) and is a formal document that defines the internal audit activity's purpose, authority and responsibility. The internal audit charter establishes the internal audit activity's position within the organisation; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

This Charter is structured around the Public Sector Internal Audit Standards (2016) and also the CIPFA Local Government Application Note (LGAN).

Public Sector Internal Audit Standards – Attribute Standards

1000 - Purpose, Authority and Responsibility

1100 - Independence and Objectivity

1200 - Proficiency and Due Professional Care

1300 - Quality Assurance and Improvement Programme

Public Sector Internal Audit Standards – Performance Standards

2000 - Managing the Internal Audit Activity

2100 - Nature of Work

2200 - Engagement Planning

2300 - Performing the Engagement

2400 - Communicating Results

2500 - Monitoring Progress

2600 – Communicating the acceptance of risks.

MIAA confirms ongoing compliance with the Public Sector Internal Audit Standards.

2 Standard 1000 - Purpose, Authority and Responsibility

Internal auditing is “an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes¹”.

The provision of assurance services is the primary role for internal audit in the Public Sector. This role requires the internal auditor to provide an independent opinion based on an objective assessment of the framework of governance, risk management and control. The main purpose of internal audit activity within the Public Sector is therefore to provide the Accountable or Accounting Officer with an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. The Director of Internal Audit's opinion is a

¹ The Definition of Internal Auditing Copyright © 2009 by The Institute of Internal Auditors, Inc., 247 Maitland Avenue, Altamonte Springs, Florida 32710-4201 U.S.A. Reproduced with permission.

key element of the framework of assurance that the Accountable or Accounting Officer needs to inform the completion of the Annual Governance Statement (AGS).

Internal audit also provides an independent and objective consultancy service which is advisory in nature, and generally performed at the specific request of the organisation. Such consultancy work is separate from but contributes to the opinion which internal audit provides on risk management control and governance. When performing consulting services, the internal auditor will maintain objectivity and not take on management responsibility.

The above functions drive MIAA's Mission Statement "To support improved public service outcomes through a world class shared service for audit, assurance, challenge and solutions".

Assurance Reviews will provide individual audit opinions to support the annual Director of Internal Audit Opinion. Formal agreement will be sought for the provision of third party assurances to other bodies in respect of any services provided by the organisation.

In accordance with the organisation's Financial Regulations, Internal Auditors will (without necessarily giving prior notice) have access to all records (including those of a confidential nature) and employees of the organisation.

3 Standard 1100 - Independence and Objectivity

The internal audit activity must be independent, and internal auditors must be objective in performing their work. To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity, the Director of Internal Audit will have direct and unrestricted access to senior management and the Joint Audit Advisory Committee.

The Director of Internal Audit will confirm to the Joint Audit Advisory Committee, at least annually, the organisational independence of the internal audit activity.

The Director of Internal Audit will report functionally to the Joint Audit Advisory Committee and establish effective communication with, and have free and unfettered access to, the Accountable Officer, The Chief Finance Officer and the Chair of the Joint Audit Advisory Committee. This will include communicating and interacting directly with the Joint Audit Advisory Committee.

Internal audit activity will be free from interference in determining the scope of internal auditing, performing work and communicating results. Internal auditors will have an impartial, unbiased attitude and avoid any conflict of interest. Conflicts of interest may arise where an auditor provides services other than internal audit to the organisation. Steps will be taken to avoid or manage transparently and openly such conflicts of interest, so that there is no real or perceived threat or impairment to independence in performing the audit role.

All internal auditors will complete an annual declaration of interest identifying possible conflicts of interest and the actions taken to mitigate them. This process, and its outcomes, will be communicated to the Joint Audit Advisory Committee annually through the Director of Internal Audit Opinion and Annual Report.

MIAA will also periodically review the specific audit manager assigned to the organisation to ensure that both parties are satisfied that relationships remain independent and objective.

If independence or objectivity is impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties. The nature of the disclosure will depend upon the impairment.

4 Standard 1200 - Proficiency and Due Professional Care

Engagements will be performed with proficiency and due professional care. Internal auditors will possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit activity collectively will possess or obtain the knowledge, skills and other competencies needed to perform its responsibilities. The Director of Internal Audit is professionally qualified and is responsible for ensuring access to the full range of knowledge, skills, qualifications and experience to meet the requirements of the Internal Audit Standards. MIAA internal auditors will ensure Continuing Professional Development and compliance with professional standards.

Internal auditors will apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.

5 Standard 1300 - Quality Assurance and Improvement Programme

The Director of Internal Audit will develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. The quality assurance and improvement programme will include both internal and external assessments.

- Internal assessment will include;
 - Ongoing monitoring of the performance of the internal audit activity; and
 - Periodic self-assessments or assessment by other persons within the organisation with sufficient knowledge of internal audit practices.

External assessments will also be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organisation. The results of external quality reviews and any consequent improvement plans will to be reported to the Accountable/Accounting Officer and Joint Audit Advisory Committee.

6 Standard 2000 - Managing the Internal Audit Activity

The Director of Internal Audit will develop and maintain an Internal Audit strategy designed to meet the main purpose of the internal audit activity and its service provision needs. This strategy will advocate a systematic and prioritised review, outlining the resources and skills required to meet the assurance needs of the Accountable/Accounting Officer and Joint Audit Advisory Committee. The strategy will take into account the relative risk maturity of the organisation, taking due regard of the Assurance Framework.

The Director of Internal Audit will establish risk based plans to determine the priorities of the internal audit activity consistent with the organisation's goals.

The Director of Internal Audit will include in the internal audit strategy the approach to using other sources of internal and external assurance. Periodic plans will include any work associated with placing reliance upon such work.

The Director of Internal Audit will agree the strategy and periodic plans with the Accountable/Accounting Officer and Joint Audit Advisory Committee.

Where the Director of Internal Audit believes that the level of agreed resources will prevent the Accountable/Accounting Officer being provided with an opinion on the overall adequacy and

effectiveness of the organisation's framework of governance, risk management and control, the consequences will be brought to the attention of the Joint Audit Advisory Committee.

The Director of Internal Audit will agree arrangements for interim reporting to the Accountable/Accounting Officer and Joint Audit Advisory Committee in the course of the year and produce an annual report that incorporates his opinion.

The Director of Internal Audit will provide to the Accountable/Accounting Officer an opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control, timed to support the Annual Governance Statement.

7 Standard 2100 - Nature of Work

The internal audit activity will evaluate and contribute to the improvement of governance, risk management and control processes, using a systematic and disciplined approach.

The internal audit activity will also evaluate the potential for the occurrence of fraud and consider how the organisation manages fraud risk. CIPFA has issued a Code of Practice on Managing the Risk of Fraud and Corruption. While compliance with the code is voluntary, CIPFA strongly recommends that it is used as the basis for assessment of how an organisation manages its fraud risk. The Director of Internal Audit should be notified of all suspected or detected fraud, corruption or impropriety in order to inform the annual opinion and any forward risk based plans.

The Director of Internal Audit will also liaise with the organisation's external auditors and other review bodies to facilitate the effective co-ordination of audit resources and assurances.

8 Standard 2200 - Engagement Planning

The Director of Internal Audit will establish a risk based Internal Audit Plan in conjunction with the client and with the agreement of the Audit Committee. The plan will set out the priorities for Internal Audit activity, consistent with the organisations goals and objectives.

Internal auditors will develop and document a terms of reference for each engagement, including the engagement's objectives, scope, timing and resource allocations, based on an evaluation of the nature and complexity of each engagement, time constraints and available resources. A work plan will be developed and documented that achieves the engagement objectives.

Internal audit will meet regularly with the external auditor to consult on audit plans and discuss matters of mutual interest.

9 Standard 2300 - Performing the Engagement

Internal audit will identify, analyse, evaluate and document sufficient information to achieve the engagement's objectives. Internal auditors will base conclusions and engagement results on appropriate analyses and evaluations. Internal auditors will document relevant information to support the conclusions and engagement results.

Engagements will be properly supervised to ensure objectives are achieved, quality is assured and staff are developed.

10 Standard 2400 - Communicating Results

Internal auditors will communicate the engagement results with appropriate parties, including the engagement's objectives and scope, as well as applicable conclusions, recommendations and action plans

Working with the organisation, the Director of Internal Audit will ensure that communications are accurate, objective, clear, concise, constructive, complete and timely.

The Director of internal Audit will deliver an annual internal audit opinion and report that can be used by the organisation to inform its Annual Governance Statement.

The annual internal audit opinion will conclude on the overall adequacy and effectiveness of the organisations framework of governance, risk management and control.

The annual report will incorporate;

- The opinion;
- A summary of the work that supports the opinion; and
- A statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

11 Standard 2500 - Monitoring Progress

The Director of Internal Audit will establish and maintain a follow-up process to monitor that management actions have been effectively implemented or that senior management has accepted the risk of not taking action. This will be operated to support the organisation in ensuring the implementation of actions, and reporting progress to the Joint Audit Advisory Committee.

12 Standard 2600 - Communication the Acceptance of Risks

When the Director of Internal Audit believes that senior management has accepted a level of residual risk that may be unacceptable to the organisation, the Director of Internal Audit will discuss the matter with senior management. If the decision regarding residual risk is not resolved, the Director of Internal Audit will report the matter to the Joint Audit Advisory Committee for resolution.

Code of Ethics

MIAA will operate within the definition of Internal Auditing and ensure that the Code of Ethics (Institute of Internal Auditors, 2017) underpins the internal audit services provided to the organisation.

INTEGRITY	OBJECTIVITY
<ul style="list-style-type: none"> • Honesty, diligence & responsibility • Legal & professional disclosure • Contribution to legitimate & ethical objectives 	<ul style="list-style-type: none"> • Unbiased assessment • Relationships • Not subject to undue influence • Conflict of interest disclosure
CONFIDENTIALITY	COMPETENCY
<ul style="list-style-type: none"> • Prudence in use & protection of information • Not use information for personal gain or contrary to legal requirements 	<ul style="list-style-type: none"> • Knowledge, skills and experience • Compliance with standards and professional practice • Continuous improvement

13 Definitions

Board	The Joint Management Board with overall responsibility for governance.
Accountable Officer	Officer responsible and accountable for funds entrusted to the organisation.
Joint Audit Advisory Committee	The committee with overall responsibility for advising those charged with governance on the establishment of an effective system of governance.
Director of Internal Audit	Acts as the Chief Audit Executive as the independent executive with overall responsibility for internal audit.
Senior Management	The overall Senior Leads agreed by the organisation for each audit engagement.

Anne-marie Harrop

Engagement Lead

Tel: 07920 150313

Email: Anne-marie.harrop@miaa.nhs.uk



JOINT AUDIT ADVISORY COMMITTEE OPERATING PRINCIPLES AND TERMS OF REFERENCE

Statement of Purpose

The purpose of the Cheshire Joint Audit Advisory Committee (JAAC) is to provide those charged with governance with independent, objective, and high-level assurance on the adequacy of governance, management, and internal control arrangements. By overseeing both internal and external audit, the JAAC makes an important contribution to ensuring effective assurance arrangements are in place. For the purposes of this document, the term 'Authority' refers to Cheshire PCC and Cheshire Constabulary.

Scope

The JAAC provides comments, advice and assurance on matters relating to the internal control environment of the Constabulary and the Office of the Police and Crime Commissioner (OPCC).

If the JAAC has concerns about a specific governance or audit matter it may request the relevant policy or strategy to be presented to a JAAC meeting in order that assurance may be obtained, and constructive comment provided where appropriate.

The following do not fall within the scope of the JAAC:

- Crime Statistic performance.
- Constabulary operational risks.
- HMICFRS reports with an operational theme/basis
- Any reviews carried out by the Police and Crime Panel

Independence and Effectiveness

The JAAC is independent and objective of executive decision making. It is an advisory committee which provides assurance to those charged with governance (the PCC and Chief Constable). The committee is directly accountable to the PCC and Chief Constable and is independent of the executive or operational responsibilities of the PCC or Chief Constable. Membership comprises of co-opted independent members and the JAAC follows the requirements set out in the Home Office Financial Management Code of Practice.

Core Functions

The core functions of the JAAC are to provide assurance to those charged with governance on a range of core governance and accountability arrangements, responses to the

recommendations of assurance providers and helping to ensure robust arrangements are maintained.

Governance, risk and control

- To review the corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.
- To monitor the effective development and operation of risk management in the OPCC and force.
- To monitor progress in addressing risk-related issues reported to the committee.
- To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code.
- To consider the OPCC's and force's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- To review the assessment of fraud risks and potential harm to the OPCC and force from fraud and corruption.
- To monitor the counter fraud strategy, actions and resources.
- To review the governance and assurance arrangements for significant partnerships or collaborations.

Financial and governance reporting

Governance reporting

- To review the Annual Governance Statement (AGS) prior to approval by the PCC and Chief Constable and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.
- To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the OPCC's and force's objectives.

Financial reporting

- To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
- To 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 that need to be brought to the attention of the council.
- To consider the external auditor's reports to the PCC and the Chief Constable on issues arising from the audit of the accounts.
- To consider the OPCC's and force's framework of assurance and ensure that it adequately addresses their risks and priorities.

External audit

- To 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 PSAA or the auditor panel as appropriate.

- To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- To consider specific reports as agreed with the external auditor.
- To comment on the scope and depth of external audit work and to ensure it gives value for money.
- To consider the level of external audit fee charged.
- To advise on commissions of additional work from external audit.
- To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
- To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee.

Internal audit

- To recommend for approval the internal audit charter.
- To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- To review the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- To consider significant interim changes to the risk-based internal audit plan and resource requirements.
- To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- To consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to recommend and periodically review safeguards to limit such impairments.
- To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work
 - regular reports on the results of the Quality Assurance and Improvement Programme (QAIP).
 - reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN), considering whether the non-conformance is significant enough that it must be included in the AGS.
- To consider the head of internal audit's annual report, including:
 - the statement of the level 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)
 - the opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the committee in reviewing the AGS).
- To consider summaries of specific internal audit reports as requested.

- To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the OPCC or force, or where there are concerns about progress with the implementation of agreed actions.
- To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.
- To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

Accountability arrangements

- To report to the PCC and Chief Constable on the committee's 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.
- To report to the PCC and Chief Constable on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
- To publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement

JAAC Membership and Tenure

To provide the level of expertise and understanding required of the JAAC, and to have an appropriate level of influence, the members of the JAAC need to be of high calibre. When selecting new JAAC members, aptitude will be considered alongside relevant knowledge, skills, and experience.

Characteristics of JAAC membership:

- A membership that is trained to fulfil their role so that members are objective, have an inquiring and independent approach, and are knowledgeable. To aid the JAAC in discharging their purpose, core functions and outputs, all Cheshire JAAC Members will be required to undergo appropriate training, as and when required by the PCC and the Chief Constable, which will be funded by the Authority.
- A membership that promotes good governance principles, identifying ways that better governance arrangement can help achieve the PCC and Chief Constables objectives.
- Financial awareness and awareness of current accounting issues and the principles of risk management and governance.
- A strong, independently minded chair, displaying a depth of knowledge, skills, and interest. There are many personal skills needed to be an effective chair, but key to these are:
 - promoting apolitical open discussion
 - managing meetings to cover all business and encouraging a candid approach from all participants

- maintaining the focus of the committee on matters of greatest priority.
- Willingness to operate in an apolitical manner.
- Unbiased attitudes – treating auditors, the executive and management fairly.
- The ability to challenge the executive and senior managers when required.
- Knowledge, expertise, and interest in the work of the JAAC and the willingness and ability to keep up to date with new developments relevant to policing and the OPCC both nationally and locally.

While expertise in the areas within the remit of the JAAC is very helpful, the attitude of JAAC members and willingness to have appropriate training are of equal importance. Understanding of the objectives and current significant issues for the police service and OPCC at a local and national level should be present or be acquired as soon as possible after appointment to the JAAC.

The appointment of new members on the committee should consider the overall knowledge and expertise of the existing members.

Cheshire JAAC will comprise a maximum of five independent members, including the Chair, who are independent of the PCC and the Chief Constable. A minimum of two members must attend for the meeting to be deemed quorate.

Members will be appointed by the PCC and Chief Constable. The initial term of office will be 3 years with up to a further 3 years renewed on an annual basis. The PCC and Chief Constable will appoint the Chair from amongst the members.

In the event of any dispute between JAAC members, this will be settled by a majority vote. In the event of an equal split vote the Chair will have the deciding vote.

Engagement and outputs

The JAAC will be established and supported to enable it to address the full range of responsibilities within its terms of reference and operating principles.

To discharge its responsibilities effectively, the JAAC will:

- meet regularly, at least four times a year, and have a clear policy on those items to be considered in private and those to be considered in public
- be able to meet privately and separately with the external auditor and with the head of internal audit
- include, as regular attendees, the chief finance officers (s151 officers), the chief executive, the head of internal audit and the appointed external auditor; other attendees may include the monitoring officer. These officers should also be able to

access the JAAC members, or the chair, as required

- have the right to call on any other officers or agencies of the authority as required; police audit committees should recognise the independence of the Chief Constable in relation to operational policing matters.
- support transparency, reporting regularly on its work to those charged with governance
- report annually at a JAAC meeting on how the JAAC has complied with their terms of reference and operating principles and include an assessment of its performance. This should include an evaluation of its impact and an identification of areas for improvement. This review may be a self-assessment or an external review. The report should be available to the public.

Arrangements for Meetings

The OPCC will provide administrative support for meetings of the JAAC.

The dates of JAAC meetings will be published on the PCC website. Additional meetings may be convened by two or more members having consulted the PCC and Chief Constable in writing.

The JAAC is not subject to the Local Government Access to Information legislation but is subject to the Freedom of Information Act. In the interests of transparency, it will meet publicly, except when considering restricted information, when it will meet privately.

The minutes of each JAAC will be presented to the PCC and Chief Constable for discussion prior to circulation and will be agreed at the next JAAC meeting.

Right of Attendance

The PCC, the Chief Constable and their Statutory Officers have the right of attendance at the JAAC meetings. Other relevant officers may also attend, if necessary, to brief the JAAC directly on specific items.

Either prior to JAAC meetings or at the end of the formal agenda, the JAAC will have the opportunity for separate private meetings with the Internal & External Auditors and Statutory Officers. The JAAC should meet with Internal and External Audit at least annually, without officers being present.

Overview of topics to be covered during the period September 2022-July 2023

Part 1 Items	Nov-22	Mar-23	Jul-23	Sep-23
Minutes of Joint Audit Advisory Committee	✓	✓	✓	✓
Matters Arising from Previous JAAC Meetings	✓	✓	✓	✓
Briefing from Police and Crime Commissioner & Chief Constable	✓	✓	✓	✓
JAAC Annual Report	✓			
Single Point of contact roles for 2023/24			✓	
External Audit Findings Report				✓
External Audit Plan			✓	
Informing the Audit Risk Assessment			✓	
External Audit Progress Report		✓		
External Audit VFM Report	✓			
Annual Accounts			Draft	Final
Annual Governance Statement			Draft	Final
External Audit Letter of Representation				✓
Internal Audit Annual Plan		Draft		
Internal Audit Progress Reports	✓	✓	✓	✓
Internal Audit Follow Up Report		✓	✓	
Head of Internal Audit Opinion			✓	
Internal Audit Final Reports	✓	✓	✓	✓
Internal Audit Charter	✓			
NFI Data Matching		✓		
Internal Audit Terms of Reference (Tor)	✓	✓	✓	✓
Value for Money profiles			✓	
Service Assurance Plan	✓	✓	✓	✓
JAAC Terms of Reference Review	✓			
2023/24 Budget & Medium Term Financial Strategy		✓		
Part 2 Items	Nov-22	Feb-22	Jul-22	Sep-22
Minutes of Joint Audit Advisory Committee	✓	✓	✓	✓
Matters Arising from Previous JAAC Meetings	✓	✓	✓	✓
Strategic Risk Register	✓	✓	✓	✓
Internal Audit ToR/Reports	✓	✓	✓	✓

Internal Audit Progress Report Audit Advisory Committee (Nov 2022)

Office of the Police and Crime Commissioner for Cheshire / Cheshire
Constabulary

Contents

1 Introduction

2 Key Messages for Audit Advisory Committee Attention

Appendix A: Contract Performance

Appendix B: Performance Indicators

Your Team

Name	Role	Contact Details
Anne-marie Harrop	Engagement Lead	Anne-marie.harrop@miaa.nhs.uk 07920 150313
Charles Black	Audit Manager	Charles.black@miaa.nhs.uk

Limitations

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regards to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Reports prepared by MIAA are prepared for your sole use and no responsibility is taken by MIAA or the auditors to any director or officer in their individual capacity. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose and a person who is not a party to the agreement for the provision of Internal Audit and shall not have any rights under the Contracts (Rights of Third Parties) Act 1999.

Public Sector Internal Audit Standards

Our work was completed in accordance with Public Sector Internal Audit Standards.

1 Introduction

This report provides an update to the Joint Audit Advisory Committee in respect of the progress made in against the Internal Audit Plan for 2022/23 and brings to your attention matters relevant to your responsibilities as members of the Joint Audit Advisory Committee.

This progress report provides a summary of Internal Audit activity and complies with the requirements of the Public Sector Internal Audit Standards.

Comprehensive reports detailing findings, recommendations and agreed actions are provided to Committee Members. In addition a consolidated follow up position is reported on a periodic basis to the Joint Audit Advisory Committee.

This progress report covers the period September 2022 to November 2022.

2 Executive Summary

Since the last meeting we have focused on the following areas:

<p>2021/22 Audit Reviews</p>	<p>The following reviews have been finalised:</p> <ul style="list-style-type: none"> • Property and Evidence Management Review – Substantial Assurance <p>The reviews below are currently in progress:</p> <ul style="list-style-type: none"> • Digital Investigation – Draft Report • Cyber – Organisational Controls – Fieldwork • Business Services Futures – TOR issued • Data Migration Review - TOR issued
<p>Follow Up</p>	<p>A report was provided at the July meeting</p>
<p>Audit Plan Changes</p>	<p>In agreement with OPCC and Constabulary management we have agreed to replace the Blue Light Commercial review with a Data Migration review which will give assurance with regards to the data migration from Oracle Cloud to the newly implemented Unit 4.</p>
<p>MIAA Quality of Service Indicators</p>	<p>MIAA operate systems to ISO Quality Standards. Public Sector Internal Audit Standards (PSIAS) require MIAA to ‘develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.’ This programme must include internal and external assessments.</p> <p>External assessments must be conducted at least once every five years. Our last external assessment was completed in 2020 and</p>

	<p>concluded that MIAA fully complies with PSIAS (as previously reported to Audit Committee).</p> <p>We also undertake regular internal assessments to ensure our ongoing compliance with requirements. We have recently completed our annual self-assessment of compliance with PSIAS and can confirm full compliance with PSIAS.</p>
Insights	<p>Audit Committee Chairs Webinars</p> <p>We are continuing to hold webinars with groups of client Audit Committee Chairs focusing upon governance challenges and other key issues.</p> <p>Collaborative Masterclass Events</p> <ul style="list-style-type: none">• Digital as Disrupter (24th November 2022)• The Psychology of Leading High-Performance Teams (8th December 2022)• Leading for Social Justice and Health Equality (2nd February 2023) <p>Events are free for MIAA clients and can be booked via our website www.miaa.nhs.uk</p>

Appendix A: Contract Performance

The Public Sector Internal Audit Standards (PSIAS) state that ‘The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.’

Audit Plan 2022/23

HOIA Opinion Area	Status	Assurance Level
Core/ Mandated Assurances		
Key Financial Controls	Q4	
Risk Based Assurances		
Vetting	Complete	Substantial
Business Services Futures	Planning – Dec Fieldwork	
Data Migration	Planning – Dec Fieldwork	
Property/ Evidence Management	Complete	Substantial
Digital Investigation	Draft Report	
Cyber – Organisational Controls	Fieldwork	
Follow Up		
Qtr 2	Complete	N/A
Qtr 4	Q4	

If due to circumstances beyond our control we are unable to achieve sufficient depth or coverage, we may need to caveat opinions and explain the impact of this and what will be done to retrieve the position in future.

Appendix B: Performance Indicators

The primary measure of your internal auditor’s performance is the outputs deriving from work undertaken. The following provides performance indicator information to support the Committee in assessing the performance of Internal Audit.

Element	Reporting Regularity	Status	Summary
Delivery of the Head of Internal Audit Opinion (Progress against Plan)	Each Audit Committee	Green	There is ongoing engagement and communications regarding delivery of key reviews to support the Head of Internal Audit Opinion.
Issue a Client Satisfaction Questionnaire following completion of every audit.	Each Report	Green	All final reports contain a link to post audit questionnaire.
Percentage of recommendations raised which are agreed	Each Audit Committee	Green	Noted in all final reports
Percentage of recommendations which are implemented	Twice per audit year	Green	Follow Up report provided twice per year.
Qualified Staff	Annual	Green	MIAA have a highly qualified and diverse workforce which includes 75% qualified staff. The Senior Team delivering the Internal Audit Service are CCAB/IIA qualified.
Quality	Annual	Green	MIAA operate systems to ISO Quality Standards. The External Quality Assessment, undertaken by CIPFA, provides assurance of MIAA’s compliance with the Public Sector Internal Audit Standards. MIAA conforms with the Public Sector Internal Audit Code of Ethics.

Data Migration Review

Terms of Reference

Police and Crime Commissioner and Chief Constable for Cheshire

1 Introduction and Background

This review has been requested by Chief Officers and will give assurance with regards to the data migration from Oracle Cloud to the newly implemented Unit 4. Unit 4 went live in July 2022 and therefore the first 3 months of financial data was held in Oracle.

The Constabulary selected Unit 4 to deliver a modern and integrated information infrastructure. Before July 2022, the Constabulary were on the Oracle Cloud Platform managed via the Multi-Force Shared Services, but Cheshire Constabulary decided to bring its core back-office solutions in-house.

The immediate focus will be on delivering the requirements around Core HR, Payroll, Finance and Procurement for the entire Force. With Unit4’s integrated suite of ERP software solutions, The Constabulary will benefit from visibility and control over finances, projects, procurement, reporting, forecasting and payroll.

2 Audit Objective

The overall objective of the review is to provide assurance on the processes and checks which were carried out as part of the data migration between Oracle Cloud and Unit 4. The review will provide assurance that the process was well controlled, comprehensive, and performed to a very high level of accuracy. It has been agreed with Chief Officers that the review will focus on these areas of data migration:

- Finance
- Payroll
- Human Resources

3 Audit Scope

Sub Objective	Risk
To ensure the data migration process was suitably planned and supported with appropriate project documentation, backup plans, and test documentation.	A lack of data migration planning may mean the project will not take into account all the possible scenarios and plans for them. This leads to incomplete migration, which leads to errors and delays.
To ensure that the data in the new platform Unit 4 reconciles to the data archives extracted from Oracle Cloud.	Incorrect mapping of source data leads to incorrect information being loaded into Unit 4.
If any errors or mistakes were identified, suitable counter measures have been implemented to mitigate their impact.	A lack of workarounds and risk management may result in an incomplete system and errors in data.
To ensure a data migration post-implementation review was completed to ensure compliance of the	A lack of understanding of whether the functionality meets specification and business

original budget and schedule and identify deviations	requirements, and lessons learnt may not be monitored.
--	--

MIAA will also consider any changes to the control environment due to COVID-19.

The review will focus upon the following areas:

- Finance
- Payroll
- Human Resources

4 Audit Approach

Following discussion with management, it has been agreed that the review is to be undertaken both onsite and remotely. We will confirm arrangements for onsite working with you as part of audit planning. Whilst working remotely, we will ensure that regular contact is maintained throughout the audit process to feedback on progress and matters arising. We are aware that there may be restrictions which could potentially impact on the delivery of the review. We will ensure that any potential issues are escalated appropriately.

Following completion of the audit fieldwork we will meet with Chief Officers and the audit sponsor to discuss the audit findings and proposed recommendations. A draft report will be produced; your responses to these recommendations and a timetable for any actions to be carried out will be agreed and incorporated into the final report, along with the names of staff who will be responsible for their implementation. The conclusion of all final reports are reported to the Joint Audit Advisory Committee.

5 Information Requirements

We have provided below details of documentation we require to undertake the review. Please note that this list is not exhaustive and there maybe other documents that we request once we have commenced the fieldwork. Similarly, if you are aware of any other documents that would assist the review which are not listed below, we would be grateful if you could make these available to us:

- Data migration project documentation
- Data migration post-implementation documentation

6 Proposed Timescales

Stage	Proposed Date
Fieldwork commences	November / December 2022
Discussion document to client	December 2022
Responses by client	January 2023
Final report	January 2023

7 Key Contacts and Report Distribution

Name	Title	Report
Julie Gill	Assistant Chief Officer	Draft / Final
Wendy Bebbington	Head of Finance	Draft / Final
Nicola Bailey	Head of Human Resources	Draft / Final
Louise Willis	Planning, Performance and Risk Manager	Draft / Final
Mark Roberts	Chief Constable	Draft / Final
Chris Armitt	Deputy Chief Constable	Draft / Final
John Dwyer	Police and Crime Commissioner	Draft / Final
David McNeilage	Deputy Police and Crime Commissioner	Draft / Final
Clare Hodgson	Chief Finance Officer (OPCC)	Draft / Final
Damon Taylor	Chief Executive (OPCC)	Draft / Final
External Audit		Final
Joint Audit Advisory Committee		Final

8 Data Protection and Freedom of Information

MIAA takes its responsibility for the security and protection of information acquired and used during the delivery of its work seriously.

MIAA are compliant with the requirements of the NHS Data Security and Protection Toolkit and are Cyber Essentials certified. We have in place a comprehensive Information Security and Privacy Management system based upon ISO 27001 and ISO 27701 and have implemented a range technical controls to protect data.

In delivering this assignment MIAA will acquire supporting information from you, some of which may be confidential or otherwise sensitive. This information will be used solely for the completion of this assignment and for informing our Head of Internal Audit Opinion.

In this context, MIAA are considered data processor for that information and, thus are subject to the requirements of the Data Protection Act and the UK General Data Protection Regulation, where personally identifiable information is concerned, and the Freedom of Information Act, where corporate information is concerned.

MIAA will, therefore, be required to not only comply with the laws and regulations in respect of our control of the data but will also be responsible for any appropriate disclosure under the legislation.

9 Your Acceptance

Please do not hesitate to contact MIAA should you have any comments regarding the Terms of Reference (these will be assumed as agreed if MIAA are not informed otherwise).

10 MIAA Key Contacts

Name	Charles Black	Name	Anne-Marie Harrop
Title	Principal Auditor	Title	Regional Assurance Director
	07554332410		07920150313
	Charles.black@miaa.nhs.uk		Anne-marie.Harrop@miaa.nhs.uk

Business Service Future – Controls Mapping Review Terms of Reference

Police and Crime Commissioner and Chief Constable for Cheshire

1 Introduction and Background

Within the audit plan for 2022/23 we agreed that MIAA would undertake a controls mapping exercise to understand the control environment within the new Business Service Futures systems. This work also supports the Data Transfer audit which will be undertaken alongside this review.

2 Audit Objective

The overall objective of this review is to review the key controls and risk evaluation of the newly implemented Unit 4 which was developed and went live as part of the Business Service Futures programme in July 2022. This will be done to allow MIAA to understand and map the key controls within Unit 4 in preparation for the Key Financial Systems audit review where we will test the application of the controls in January 2023.

3 Audit Scope

Sub Objective	Risk
A mapping process will be undertaken to document the key controls and map the financial system control environment.	Gaps within the overall internal control framework;
Workarounds with regards to the key financial controls are in place after going live and are understood in terms of the risk and control evaluation.	Workarounds have not developed which may adversely impact key financial controls.

4 Audit Approach

Following discussion with management, it has been agreed that the review is to be undertaken both onsite and remotely. We will confirm arrangements for onsite working with you as part of audit planning. Whilst working remotely, we will ensure that regular contact is maintained throughout the audit process to feedback on progress and matters arising. We are aware that there may be restrictions which could potentially impact on the delivery of the review. We will ensure that any potential issues are escalated appropriately.

Following completion of the audit fieldwork we will meet with Chief Officers and audit sponsor to discuss the audit findings and proposed recommendations. A draft report will be produced; your responses to these recommendations and a timetable for any actions to be carried out will be agreed and incorporated into the final report, along with the names of staff who will be responsible for their implementation. The final report will be approved by the lead Executive Director. The conclusion of all final reports are reported to the Joint Audit Advisory Committee.

5 Information Requirements

We have provided below details of documentation we require to undertake the review. Please note that this list is not exhaustive and there maybe other documents that we request once we have commenced the fieldwork. Similarly, if you are aware of any other documents that would assist the review which are not listed below, we would be grateful if you could make these available to us:

- Polices and Procedures relating to the newly implemented systems
- Project documentation for the Business Service Futures Programme

6 Proposed Timescales

Stage	Proposed Date
Fieldwork commences	December 2022
Discussion document to client	January 2022
Responses by client	January 2022
Final report	January 2022

7 Key Contacts and Report Distribution

Name	Title	Report
Julie Gill	Assistant Chief Officer	Draft / Final
Wendy Bebbington	Head of Finance	Draft / Final
Nicola Bailey	Head of Human Resources	Draft / Final
Louise Willis	Planning, Performance and Risk Manager	Draft / Final
Mark Roberts	Chief Constable	Draft / Final
Chris Armitt	Deputy Chief Constable	Draft / Final
John Dwyer	Police and Crime Commissioner	Draft / Final
David McNeilage	Deputy Police and Crime Commissioner	Draft / Final
Clare Hodgson	Chief Finance Officer (OPCC)	Draft / Final
Damon Taylor	Chief Executive (OPCC)	Draft / Final
External Audit		Final
Joint Audit Advisory Committee		Final

8 Data Protection and Freedom of Information

MIAA takes its responsibility for the security and protection of information acquired and used during the delivery of its work seriously.

MIAA are compliant with the requirements of the NHS Data Security and Protection Toolkit and are Cyber Essentials certified. We have in place a comprehensive Information Security and Privacy Management system based upon ISO 27001 and ISO 27701 and have implemented a range technical controls to protect data.

In delivering this assignment MIAA will acquire supporting information from you, some of which may be confidential or otherwise sensitive. This information will be used solely for the completion of this assignment and for informing our Head of Internal Audit Opinion.

In this context, MIAA are considered data processor for that information and, thus are subject to the requirements of the Data Protection Act and the UK General Data Protection Regulation, where personally identifiable information is concerned, and the Freedom of Information Act, where corporate information is concerned.

MIAA will, therefore, be required to not only comply with the laws and regulations in respect of our control of the data but will also be responsible for any appropriate disclosure under the legislation.

9 Your Acceptance

Please do not hesitate to contact MIAA should you have any comments regarding the Terms of Reference (these will be assumed as agreed if MIAA are not informed otherwise).

10 MIAA Key Contacts

Name	Charles Black	Name	Anne-marie Harrop
Title	Audit Manager	Title	Regional Assurance Director
	07554332410		07920150313
	Charles.Black@miaa.nhs.uk		Anne-marie.Harrop@miaa.nhs.uk

Cheshire Constabulary Service Assurance Plan – 2022/23

Review / Audit Team	Title and Reason for Audit	High Level scope	Status / Audit Date	Update	Board / Committee to receive Reports
MIAA	Performance Management - Local Policing Units (LPU)	A rolling programme of reviews across the eight local policing units to assess performance management against Business Plan objectives and compliance with the key corporate procedures e.g. Financial, HR, Duty of Care and Service Delivery. Three LPUs in 2021.	Transferred from Q4 21/22 (15 days)	April 2022: Internal Audit aiming to have draft report out by the end of April. May 2022: Draft report circulated and management responses returned. June 2022: Final report circulated.	Joint Audit Advisory Committee July 2022
MIAA	Vetting	To evaluate the efficiency and effectiveness of the vetting function against the Authorised Professional Practice (APP)	Q1 12 days	June 2022: Final TOR has been circulated. August 2022: Final Vetting assignment review report circulated.	Joint Audit Advisory Committee September 2022
MIAA	Key Financial Controls	To provide assurance that the most significant key controls are appropriately designed and operating effectively in practice.	Q4 12 days		Joint Audit Advisory Committee
MIAA	Business Services Futures – Controls Review	Audit days are allocated to support the BSF programme and evaluation of control environment, process maps and data transfer	Q1-3 9 days	November 2022: Draft ToR circulated for review.	Joint Audit Advisory Committee
MIAA	Data Migration Review	To provide assurance on the processes and checks which were carried out as part of the data migration between Oracle Cloud and Unit 4	Q3-4	November 2022: Draft ToR circulated for review.	Joint Audit Advisory Committee
MIAA	Stock Take following transition to Cheshire Only Systems	To provide assurance regarding stock level assessments/valuation included within the financial accounts.	Q2 4 days	Completed	Assistant Chief Officer and Head of Finance.
MIAA	Property/Evidence Management	To provide assurance that Cheshire Constabulary is dealing professionally with all evidence and property, safeguarding its integrity to support the prevention and detection of crime.	Q1 12 days	May 2022: Work underway to create the draft TOR. June 2022: TOR in development, Initial scoping meetings taken place. 30 June 2022: Draft TOR circulated. Sep 2022 Draft report	Joint Audit Advisory Committee November 2022

Review / Audit Team	Title and Reason for Audit	High Level scope	Status / Audit Date	Update	Board / Committee to receive Reports
				circulated for management response. October 2022: Management responses submitted awaiting circulation of the final report. November 2022: Final draft report circulated for comments.	
MIAA	Digital Investigation	Investigation of digital devices is high on the national and local agenda with demand increasing year on year. This review will evaluate how Cheshire Constabulary are responding to these risks and the plans in place to manage increased caseloads, the workforce demands and skill sets required.	Q2 12 days	July 2022: Meeting to be convened in August 2022 to develop TOR. Sep 2022: TOR agreed and circulated.	Joint Audit Advisory Committee
MIAA	Cyber – Organisational Controls	The National Cyber Security Centre Cyber (NCSC), in recognising the strategic importance of cyber security published a toolkit for board assurance. This review will evaluate the effectiveness of the current cyber control framework arrangements in place against that framework .	Q3 12 days	August 2022: TOR circulated for review; fieldwork commenced in October.	Audit Advisory Committee
MIAA	National Fraud Initiative (NFI)	The National Fraud Initiative (NFI) matches electronic data within and between public and private sector bodies to prevent and detect fraud. These bodies include police authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies.		August 2022: MIAA will use the contingency day within the MIAA Internal Audit Plan for the 2022-23 year, agreed by the Joint Audit Advisory Committee, to complete the preparatory work and an initial review of the data matches (received 21st January 2023).	Audit Advisory Committee

On-going Regular Monitoring Activity – 2022/23

Review / Audit Team	Title and Reason for Audit	High Level scope	Status / Audit Date	Update	Board / Committee to receive Reports
NCRS	Enhanced review of Violent Crime / Domestic Abuse / Sexual Offences for NCRS compliance.	This ongoing work will establish that the three key areas of crime recording continue to comply with the 'victim focused' approach of NCRS.	June 2022	Audits of Sexual, Domestic and Violence incidents continue to be subject to FCR audits based on perceived risk and regularly reporting the Force performance Day and to the Strategic Crime Recording User meeting chaired by Ch Supt Ross. Such audits were undertaken in April 2022, together with an additional audit of ASB. An audit of Vulnerable Victim crime is currently being undertaken.	Force Performance Day Strategic Crime Recording User Group
NCRS	Enhanced review of Violent Crime / Domestic Abuse / Sexual Offences for NCRS compliance.	This ongoing work will establish that the three key areas of crime recording continue to comply with the 'victim focused' approach of NCRS.	September 2022	Audits of Sexual, Domestic and Violence incidents continue to be subject to FCR audits based on perceived risk and regularly reporting to Force Performance Day and to the newly formed CDI continuous improvement group chaired by Ch Supt Ross. Such audits were undertaken in September 2022, together with an audit of crime outcomes. In addition an audit of Vulnerable Victim crime was undertaken in June 2022.	Force Performance Day CDI Continuous Improvement Group
NCRS	Enhanced review of Violent Crime / Domestic Abuse / Sexual Offences for NCRS compliance.	This ongoing work will establish that the three key areas of crime recording continue to comply with the 'victim focused' approach of NCRS.	December 2022		Force Performance Day Strategic Crime Recording User Group

Review / Audit Team	Title and Reason for Audit	High Level scope	Status / Audit Date	Update	Board / Committee to receive Reports
NCRS	Enhanced review of Violent Crime / Domestic Abuse / Sexual Offences for NCRS compliance.	This ongoing work will establish that the three key areas of crime recording continue to comply with the 'victim focused' approach of NCRS.	March 2023		Force Performance Day Strategic Crime Recording User Group
Information Compliance	PNC Transaction Monitoring (#TE)	PNC Transaction Monitoring is a requirement established by Her Majesty's Inspectorate of Constabulary (HMIC) and the Association of Chief Police Officers (ACPO) to ensure the security and integrity of the Police National Computer System.	Quarterly	PNC Transaction Monitoring (#TE) Ongoing reviews being completed with compliance reported quarterly. Any issues are raised to PSD or Line Manager (as appropriate on an individual basis).	Any issues identified are reported to Line Manager and PSD if required.
Information Compliance	Police National Database (PND) Auditing and Transaction Monitoring	To ensure the security and integrity of this national CONFIDENTIAL system, forces are required to undertake transactional monitoring of Constabulary users. Monthly reports to the PND Governance Group chaired by Director of Intelligence.	Quarterly	Police National Database (PND) Auditing and Transaction Monitoring Ongoing reviews with compliance reported quarterly. Reports are issued to the PND Governance Group which is chaired by the Director of Intelligence.	Reports to the PND Governance Group chaired by Director of Intelligence.

Review / Audit Team	Title and Reason for Audit	High Level scope	Status / Audit Date	Update	Board / Committee to receive Reports
Information Compliance	Driver Validation Service (DVS) Transaction Monitoring	DVS is a browser based system owned by the Driver Vehicle Licensing Authority (DVLA). It provides nominated staff with direct access to DVLA driver records for road traffic offences.	Ongoing	Ongoing reviews completed, with compliance reported quarterly. Any issues are raised with the Line Manager or PSD (as deemed appropriate on an individual basis. Any breaches are required to be reported to DVLA.	Any issues identified are reported to Line Manager and PSD if required. Breaches are reportable to DVLA.
Information Compliance	Automatic Number Plate Recognition (ANPR) Transaction Monitoring	ANPR data is currently accessed through three systems: Northgate, Cleartone and the National ANPR Service (NAS). National audit guidelines have been issued and a National Auditor appointed, in preparation for all Forces to move to the NAS.	Ongoing	Ongoing reviews completed, any issues are raised with the Line Manager or PSD (as deemed appropriate on an individual basis).	Any issues identified are reported to Line Manager and PSD if required.
Information Compliance	Child Abuse Indecent Images (CAID) transaction monitoring.	Transaction Monitoring commenced Feb 2022 – this is a new process and will continue to develop. It is a requirement to audit to ensure compliance and integrity with national policy and codes of connection.	Ongoing	Ongoing reviews completed, any issues are raised with the Line Manager or PSD (as deemed appropriate on an individual basis).	Any issues identified are reported to Line Manager and PSD if required.
Information Compliance	Records Management Paper Records Archiving	Audit of paper documents sent to Records Management and effect on storage – to determine if force can adopt 'Scan & Bin', align with other forces	Q2 In progress	September 2022: Testing complete, report in progress. October 2022: Report completed and was included on the IRG agenda on 9th November.	Information & Risk Management Board

Review / Audit Team	Title and Reason for Audit	High Level scope	Status / Audit Date	Update	Board / Committee to receive Reports
Information Compliance	PNB – transfer to new process	To provide assurance that physical PNB are centrally stored and information is compliant post implementation of the electronic solution.	Transferred from Q4 2021-22 COMPLETE	April 2022: Ongoing monitoring of progress confirms legacy PNB's continue to be submitted. Formal report to TPTT and IRG to follow. July 2022: Formal report to be completed by CI Jez Taylor, all Info Compliance complete.	Information & Risk Management Board
Information Compliance	Refresh and complete data flow audit (Transferred from 20-21)	Refresh mandatory Record of Processing Activities and identify areas of risk or non-compliance. Mandatory requirement under DPA 2018	Transferred from Q4 2021-22 COMPLETE	April 2022: The majority have been refreshed and completion is expected in time for the ICO audit follow up in June 2022. July 2022: Allowing for some minor post ICO actions in progress (completion pending), the audit is complete and has been signed off by the ICO.	Information & Risk Management Board
Information Compliance	PPD – domestic violence disclosures (Transferred from 20-21)	To provide assurance that disclosure process ensures compliance with MOPI and Data Protection requirements	Transferred from Q4 2022	February 2022: Due to the prioritisation of ICO Data Protection audit actions this audit has been delayed until later in 2022.	Information & Risk Management Board
Information Compliance	Firearms Licensing - Optional	To provide assurance that disclosure process ensures compliance with MOPI and Data Protection requirements	Q3 2022	Post ICO to be scoped to determine benefits/risk of auditing, need to determine the status following changes in process and Niche module.	Information & Risk Management Board
Information Compliance	Security - Optional	To determine compliance in Physical security risk, and data protection and records management.	Q3 2022	Post ICO – to liaise with the Chief Information Security Officer	Information & Risk Management Board
Information Compliance	Security review	To determine compliance in Physical security risk, and data protection and records management.	COMPLETE	July 2022: In June a test review was conducted on one police station to determine compliance, results were poor and a report will be submitted to the next IRG, and will be a contributory factor to determine necessity for full review.	Information & Risk Management Board

Review / Audit Team	Title and Reason for Audit	High Level scope	Status / Audit Date	Update	Board / Committee to receive Reports
Information Compliance	ICO Mobile Phone Review		Complete	Completed September 2022	Information & Risk Management Board
Information Commissioner's Office	Recommendations resulting from the ICO Audit of Mobile Phones data	Assurance regarding compliance against legislation for this area of business. Monitor progress against recommendations resulting from this audit.	Awaiting final recommendation report	Status December 2022: TBA	Information & Risk Management Board
Governance Of Collaborations	Qtrly	To review collaborations of which Cheshire Constabulary is a party and check that performance reports have been received and given transparency at the relevant Force/ Regional Meeting.	Ongoing Monthly	<p>April 2022: West Coast NICHE Collaboration S22a and Firearms and Dogs Alliance S22a went to SCT on 23/02/2022. As well as NWROCU updates.</p> <p>Aug 2022: NWROCU & NWMPG Collaboration updates went to SCT in April 2022.</p> <p>Nov 2022: Collaborations Board scheduled for 17.11.22. Updates to be provided to NWJOC quarterly on collaborations for which Cheshire is the Lead and presumably other NW leads will update on the collaborations that they lead.</p>	Senior Command Team
Taser Downloads	Governance and compliance monitoring	Audit of completion of Taser downloads	Taser's downloaded every 8 weeks (Feb, April, June, Aug, Oct, Dec) Audited quarterly	<p>April 2022: Audit complete</p> <p>June 2022: Audit complete</p> <p>August 2022: Audit complete</p> <p>October 2022: Audit complete</p>	Procedural Justice Meeting

Review / Audit Team	Title and Reason for Audit	High Level scope	Status / Audit Date	Update	Board / Committee to receive Reports
Finance - Compliance with GPC Cards Guidance Manual	Annually due September 2022 Re-arranged to December 2022	Dip sample to ensure compliance in the use of GPC Cards guidance against MFSS reports on GPC card use.	Annually	September 2022: Head of Finance advised that this has now been put back to December - the implementation and go-live with the new Business Services systems has diverted resources away from supporting this review.	Information & Risk Management Board
Planning, Performance & Risk Management	Policy & Procedure Monitoring	Cheshire Constabulary's Policy & Procedures are published when the National Guidelines laid down by College of Policing – Authorised Professional Practice (APP) do not have adequate detail, specifically in respect of Cheshire local practices. It is important that these Policies & Procedures are kept up to date and reviewed on a regular basis.	Ongoing	Ongoing regular monitoring and reviews, any overdue policies or procedures or issues are raised directly with the Policy Owner, Author and Business Area Leads.	Status reported at Information & Risk Governance Board twice yearly (April & September, or more frequently should there be any concerns).



Joint Audit Advisory Committee

Annual Report 2022

Chairman's Foreword

Welcome to the 2022 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 that 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.

Due to the continued presence of COVID 19, all meetings this year have been conducted by a combination of Committee members, Auditors and staff at the Constabulary and the PCC joining in person or via video conference. As the year has progressed the number of attendees in person has increased. Hopefully next year we will see a return to full attendance in person.

The Chartered Institute of Public Finance and Accountancy (CIPFA) provides guidance on the role of the Committee. New guidance is expected to be issued before the end of the year. The Terms of Reference for the Committee will be updated as required, to meet the new guidance from CIPFA.

Membership of the Committee is as follows:

Chairman

Phil Bearpark is a Chartered Mechanical Engineer and has held a number of senior roles within the UK Rail Industry over the last 30 years. He still works part time in Rail and is now a Director of his own business and a Non-Executive Director of Heathrow Express. Phil is very experienced in audit, governance and risk management.

Vice-Chairman

David Gilbert is a qualified accountant who has held senior finance positions including Director of Finance and Chief Finance Officer roles in a variety of NHS Organisations. He is currently a Non-Executive Director of the Dudley Integrated Health & Care NHS Trust where he is Chair of the Audit Committee. He also an independent member of the Governance Audit and Risk Committee of the Muir Group Housing Association.

Members

Tony Snape is a Chartered Surveyor (Quantity Surveyor) who, following many years running the family building and civil engineering company, has held a variety of positions including: a consultant to Gleeds (Construction Consultants); a Non- Executive Director of the Manchester Building Society; Board Member of Great Places Housing Association. His voluntary roles have included: a Trustee of MOSI (Manchester Museum of Science and Industry) and Chair of the Seashell Trust (a charity for very disabled children) where he is still involved.

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.

Members of the Committee bring with them a 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.

A recruitment process will commence shortly to recruit at least one new member to the committee, as Tony Snape will be retiring in March 2023.

2021/2022

Meetings during the year 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 have received copies of all finalised 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 Financial Systems, Estates Strategy and Local Policing Unit (LPU) Performance Management. The Committee has also noted the progress of work on the National Fraud Initiative (NFI). We were very pleased to receive a substantial assurance from MIAA that there is a good system of internal control designed to meet system objectives and that the controls are generally being applied consistently.

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.

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. The Committee also monitored the implementation of recommendations agreed by management following audit progress reviews.

The Chair and Vice Chair have had meetings with Senior Staff of the PCC and Constabulary. The Chair has also met with the Commissioner and Chief Constable. 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.

As the Committee developed, members have been asked to focus on areas

where they have a particular interest. These are areas where either the Chief Constable or the Commissioner would like some additional input or where the Committee considers that there is an issue pertinent to the Committee's work which may require further detailed attention. The members undertaking these roles are termed the 'single point of contact' for that area. Single point of contact roles have been agreed with the Commissioner and Chief Constable and are as follows:

- David Gilbert – Collaborations and budgeting
- Phil Bearpark – Business Services Future
- Tony Snape - Crime Recording and Estates
- Jean Gleave – Risk Management, Governance and Annual Governance Statement.

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 – CEng MIMechE

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

JOINT AUDIT ADVISORY COMMITTEE VACANCIES

2022	TIMETABLE	RESPONSIBLE OFFICER(S)
1st-30th November	Finalise packs and adverts/press releases etc Application Forms	OPCC CFO
7th December	Launch advert	HR
4th January	Closing date	HR collate packs
By 23rd January	Shortlisting – done virtually and offline	OPCC and CC s151 Officers; JAAC members
7 th /10 th February	Interviews – OPCC Meeting Room	PCC/CC/JAAC Chair
ASAP thereafter	Appoint Members and Chairperson	PCC and CC

All dates to be confirmed post November JAAC