

JOINT INDEPENDENT AUDIT COMMITTEE
23 FEBRUARY 2023

COMMITTEE ANNUAL REPORT AND MEMBER SELF-ASSESSMENT

PURPOSE OF REPORT

1. To report on the activity of the Audit Committee during 2022 against the committee terms of reference which were in place for the reporting period.
2. To consider member self-assessment of the Committee.

COMMITTEE ANNUAL REPORT

3. Three ordinary Committee meetings took place in January, March and October along with an extraordinary meeting to consider the statement of accounts in February. A summary of the work of the Committee against the terms of reference in place at the time is shown below:

Terms of Reference	Coverage During 2022
Governance, Risk and Control	
1. Review the corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.	<p>Members received COVID-19 and general business updates from the Force and the Policing and Crime Team at each meeting.</p> <p>Members also received reports on post-devolution governance arrangements including reporting routes for internal audit, collaboration work, regional commissioning arrangements, scheme of delegation and staffing appointments.</p> <p>The Chair of the Audit Committee sat on the Good Governance Group as an independent member.</p>
2. Review the annual governance statements prior to approval and consider whether they properly reflect the governance, risk and control environment and supporting assurances and identify any actions required for improvement.	Members considered the annual governance statements for the Force and the Mayor's PCC functions as part of the review of the Annual Statement of Accounts.
3. Review treasury management policies, practices and activities including an annual strategy and plan	Members have reviewed the treasury management strategy (March).

AGENDA ITEM NO: 10
JOINT INDEPENDENT AUDIT COMMITTEE
23 FEBRUARY 2023

4. Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.	Members receive reports on tender exceptions at each meeting.
5. Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the Mayor's PCC functions/the Force.	
6. Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the Mayor's PCC functions/the Chief Constable in addressing risk-related issues reported to them.	<p>Members receive detailed risk management reports for both the Force and the Mayor's PCC functions at each meeting and have discussed specific issues relating to the loss of data from the national PNC database, PDR completion and the introduction of a new PDR and HR system in the Force.</p> <p>The chair of the Audit Committee also attends the Force Risk Management Group on an annual basis.</p>
7. Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.	Members received regular internal audit reports including draft reports in advance of management responses and progress in implementing recommendations from Internal Audit reports.
8. Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter fraud strategy, actions and resources.	Members received a report on the Counter-fraud and Counter-corruption Strategy and provided comments to assist its development in January 2022.
9. To review the governance and assurance arrangements for significant partnerships or collaborations.	Members received a report on sponsorship in March.
10. To receive requests from, and provide advice to, the Treasurer, Force Chief Finance Officer, Monitoring Officer and Head of Internal Audit.	None noted in the reporting period.
Internal Audit	
11. Annually review the internal audit charter and resources.	Members reviewed the Internal Audit Charter, Internal Audit Strategy and work plan (March).

AGENDA ITEM NO: 10
JOINT INDEPENDENT AUDIT COMMITTEE
23 FEBRUARY 2023

12. Review the internal audit plan and any proposed revisions to the internal audit plan.	Members discussed the internal audit plan in March.
13. Oversee the appointment process and consider the adequacy of the performance of the internal audit service and its independence	Members regularly scrutinise internal audit performance against the internal audit work plan.
14. Consider the Head of Internal Audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements.	Members received the Internal Audit annual report in October and have received all limited assurance reports.
15. To consider the Head of Internal Audit's 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 Internal Audit function is subject to external quality assessment every five years in line with PSIAS recommendations. Members consider the EQA assurance and assessment plan in October.
16. Consider summaries of internal audit reports and such detailed reports as the committee may request from the Mayor/the Chief Constable, including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions.	Members regularly receive internal audit reports.
17. Consider a report on the effectiveness of internal audit to support the AGS, where required to do so by the Accounts and Audit Regulations (England) 2015.	The effectiveness of Internal Audit is reviewed through the review of the Annual Governance Statements.
18. To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Internal Audit. To make recommendations on safeguards to limit such impairments and periodically review their operation.	None noted in the reporting period.
External Audit	
19. Support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any	Members considered a report of the newly appointed external auditors in October including the commitment to report further on audit fees.

AGENDA ITEM NO: 10
JOINT INDEPENDENT AUDIT COMMITTEE
23 FEBRUARY 2023

issues raised by either PSAA or the auditor panel as appropriate.	
20. Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.	Members receive external audit reports at each meeting, including reports on the external audit plan, changes in the Code of Practice and value for money.
21. Consider the external auditor's annual management letter, relevant reports and the report to those charged with governance.	Members received the External Audit findings report in February.
22. Consider specific reports as agreed with the external auditor.	As above, members consider reports from External Audit at each meeting of the Committee.
23. Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.	None noted in the reporting period.
Financial Reporting	
24. Review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the Mayor and/or the Chief Constable.	Members considered the draft annual accounts for 2020-21 in February. Members noted the draft accounting policies (January). Members receive budget management reports and business updates at each meeting.
25. Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements.	As above, members receive regular reports from External Audit including the annual management letter.
Accountability Arrangements	
26. On a timely basis report to the Mayor and the Chief Constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.	The Mayor and Chief Constable are represented at each meeting by their statutory officers who have a responsibility to report relevant matters.
27. Report to the Mayor and the Chief Constable on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial	The work programme and terms of reference are designed to be able to provide such assurance. Where concerns have been raised by the Audit Committee these have been addressed.

AGENDA ITEM NO: 10
JOINT INDEPENDENT AUDIT COMMITTEE
23 FEBRUARY 2023

reporting arrangements, and internal and external audit functions.	
28. Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the Mayor and the Chief Constable.	Members considered the Committee terms of reference and agreed the work plan (October) and a self-assessment report (January).
29. Report to the Governance and Audit Committee of the Combined Authority on an annual basis on the work of the Committee and any matters relating to accounts and audit functions.	The terms of reference include an annual report to the Governance and Audit Committee and reporting of agreed minutes.
30. Publish an annual report on the work of the committee.	Members received a report on the Committee's activity over the previous year (January).

MEMBER SELF-ASSESSMENT

4. Member self-assessment returns are summarised below. These include three members assessment, two of whom have been in position for one meeting at the time of the return.

Issue	Yes	No	N/A	Comment
Terms of Reference				
Have the committee's terms of reference been approved by the Mayor and Chief Constable?	✓✓		Cannot confirm	<ul style="list-style-type: none"> Approval is discharged by the CC and the Mayor representation on the Committee by the ACO (WYP) and the Director of Corporate Services (WYCA). The Terms of Reference was presented at the October 2022 meeting. Based on JW's response but not during the new Chair's tenure. The draft ToR were presented to the October 2022 Audit Committee (AC) meeting. As such, they will not have gone for further approval during my tenure on the Committee.
Do the terms of reference follow the CIPFA model?	✓✓		N/A	<ul style="list-style-type: none"> See above. Would need to see evidence to support this.

AGENDA ITEM NO: 10
JOINT INDEPENDENT AUDIT COMMITTEE
23 FEBRUARY 2023

				<ul style="list-style-type: none"> The report did not note whether the ToR followed the CIPFA model, however, I have since received assurance to this effect.
Internal Audit Process				
Does the committee approve the strategic audit approach and the annual programme?	✓✓✓			<ul style="list-style-type: none"> Considered at the March 2022 meeting as part of the Internal Audit Charter / Strategy and Annual Audit Plan. Yes but not yet seen the annual planning in progress. Although prior to my tenure, I noted from the AC minutes 18/03/22 that the Committee received the Internal Audit Strategy, Charter and Audit Plan.
Is the work of internal audit reviewed regularly?	✓✓✓			<ul style="list-style-type: none"> Quarterly updates provided as part of the Plan Progress Report. At Committee. At the October 2022 AC meeting, the Committee received an internal audit progress report as well as outcomes of an external quality assessment.
Are summaries of quality questionnaires from managers reviewed?	✓✓		Cannot confirm	<ul style="list-style-type: none"> Quarterly as part of the Plan Progress Report and as part of the Annual Audit Report. Additionally, a summary report was presented at the March 2022 meeting. I have only witnessed once.
Is the annual report, from the head of audit, presented to the committee?	✓✓✓			<ul style="list-style-type: none"> Considered at the October 2022 Meeting. Provided at October 22 meeting. I did not see an analysis of questionnaires as part of the October 2022 AC reports. The Annual Report did, however, include sample feedback from clients. The Annual Report 2021/22 was presented to the October 2022 AC meeting.

AGENDA ITEM NO: 10
JOINT INDEPENDENT AUDIT COMMITTEE
23 FEBRUARY 2023

External Audit Process				
Are reports on the work of external audit and other inspection agencies presented to the committee?	✓✓✓ (1 x yes for External Audit)		Cannot comment regarding other inspection agencies	<ul style="list-style-type: none"> • New External Auditor (Mazars) appointed 2022. • Quarterly updates. • External auditors were present at the October 2022 AC meeting and presented their report. • I did not see any reports from any other inspection agencies at the October AC meeting.
Does the committee input into the external audit programme?	✓✓		Cannot fully comment	<ul style="list-style-type: none"> • Quarterly along with the private meeting held prior to the commencement of each meeting. • In terms of oversight rather than detail. • The Audit Strategy for the year ending 2021/22 was presented to the October AC meeting as an item to note. The timing may have been due to the cancelled meeting in the summer, and as a result, the audit will have already been performed.
Does the committee ensure that officers are acting on and monitoring action taken to implement recommendations?	✓✓		N/A	<ul style="list-style-type: none"> • Assurance obtained as part of Member scrutiny role. • Not witnessed this to date. • Although prior to my tenure, I noted from AC minutes 18/03/22 that the External Auditor made reference to recommendations being followed-up on.
Does the committee take a role in overseeing: <ul style="list-style-type: none"> • risk management strategies • internal control statements • anti-fraud arrangements 	<p style="text-align: center;">✓</p> <p style="text-align: center;">✓✓</p> <p style="text-align: center;">✓✓</p>		<p style="text-align: center;">N/A</p> <p style="text-align: center;">N/A</p>	<ul style="list-style-type: none"> • Risk management and internal controls examined / overseen at each quarterly meeting. Members have been consulted on the Anti-Corruption arrangements which apply to staff within the Mayors Policing & Crime Team at the March 2022 meeting. Additionally, a report outlining the Whistleblowing Processes

AGENDA ITEM NO: 10
JOINT INDEPENDENT AUDIT COMMITTEE
23 FEBRUARY 2023

<ul style="list-style-type: none"> confidential reporting strategies? 				<p>was presented at the March 2022 meeting.</p> <ul style="list-style-type: none"> Not witnessed yet. Report received on risk management at the October 2022 AC. I have not been present at meetings where the remaining three were reported.
Membership				
Has the membership of the committee been formally agreed and a quorum set?	✓✓✓			<ul style="list-style-type: none"> The Tor presented to the October 2022 AC meeting include the constitution of the Committee and requirements for being quorate.
Is the chair free of executive or scrutiny functions?	✓✓✓			<ul style="list-style-type: none"> Independent Member / Chair To my knowledge yes.
Are members sufficiently independent of the PCC and Chief Constable?	✓✓✓			<ul style="list-style-type: none"> Independent Members – Vacancy for fourth Member throughout 2019, 2020, 2021 and 2022. To my knowledge yes, and the recruitment process sought to ensure this was the case.
Have all members' skills and experiences been assessed and training given for identified gaps?	✓✓			<ul style="list-style-type: none"> Upon interview. Additionally, a structured review and appraisal process for Committee Members will be implemented early 2023. But ongoing process for new Chair and Members. From my experience, this will have been assessed as part of the selection process. Going forward, I anticipate this will form part of the appraisal process.
Can the committee access the information it requires to carry out its role effectively?	✓✓✓			<ul style="list-style-type: none"> Based on information required to date. From my experience, this is a yes.
Meetings				
Does the committee meet regularly?	✓✓✓			<ul style="list-style-type: none"> Quarterly. However, it was necessary to cancel the July 2022 meeting.

AGENDA ITEM NO: 10
JOINT INDEPENDENT AUDIT COMMITTEE
23 FEBRUARY 2023

				<ul style="list-style-type: none"> • Timetable agreed for 4 meetings PA plus additional one for Annual Report & Accounts • From my knowledge, this is to be the case going forward.
Are separate, private meetings held with the external auditor and the internal auditor?	✓✓✓			<ul style="list-style-type: none"> • Prior to each quarterly meeting. • Met pre October 22 meeting. • This appears to be a standing item on the agenda and took place at the October 2022 meeting.
Are meetings free and open without political influences being displayed?	✓✓✓			<ul style="list-style-type: none"> • Based on evidence from one meeting • From my experience this is a yes.
Are decisions reached promptly	✓✓✓			<ul style="list-style-type: none"> • From my experience this is a yes.
Are agenda papers circulated in advance of meetings to allow adequate preparation by members?	✓✓✓			<ul style="list-style-type: none"> • One week in advance of each meeting. • I understand it is one-week in advance of each meeting.
Does the committee have the benefit of attendance of appropriate officers at its meetings?	✓✓✓			<ul style="list-style-type: none"> • I am expecting to increase the attendance of officers for detailed presentations. • Yes, there was appropriate representation, and the option to request other officers to attend future meetings.
Training				
Is induction training provided to members?	✓✓✓			<ul style="list-style-type: none"> • Held on 18th December 2018. • I had a good induction. • Yes, mine was 28 November 2022.
Is more advanced training available as required?	✓✓✓			<p>2019:</p> <p>FOI Training 22nd January 2019.</p> <p>Internal Audit and Risk Management 27th February 2019.</p> <p>Draft Financial Statements 8th July 2019.</p> <p>Institute of Risk Management in Policing 2nd & 3rd October 2019.</p>

AGENDA ITEM NO: 10
JOINT INDEPENDENT AUDIT COMMITTEE
23 FEBRUARY 2023

				<p>Audit Committee Development 21st November 2019. Treasury Management 26th November 2019.</p> <p>2020: CIPFA Audit Committee Member Update Webinar 13th May 2020 Local Audit Quality Forum Special Event with Sir Tony Redmond - Local Government Financial Reporting and External Audit (Zoom) 1st October 2020 Managing Information and Use of Police Information Systems (On-line) 11th November 2020.</p> <p>2021: Unconscious Bias & Cultural Awareness Training 4th March 2021.</p> <ul style="list-style-type: none"> • Have attended CIPFA update subsequently. • CIPFA training on Audit Committees was offered, but sadly I was not able to attend.
Administration				
Do the PCC's and Chief Constable's s151 officer or deputy attend all meetings?	✓✓✓			<ul style="list-style-type: none"> • Have attended to date. • Yes, from my experience so far.
Are the key officers available to support the committee?	✓✓✓			<ul style="list-style-type: none"> • Support has been good.

1. RECOMMENDATION

Members are asked to consider the report.

Julie Reid
 Head of Policing and Crime
 Policing and Crime Team
 West Yorkshire Combined Authority