

OFFICE OF THE POLICE & CRIME COMMISSIONER FOR HUMBERSIDE/
HUMBERSIDE POLICE

JOINT INDEPENDENT AUDIT COMMITTEE

Monday, 26 September 2022 - 10.00AM

Office of the Police and Crime Commissioner, The Lawns, Harland Way, Cottingham,
HU16 5SN

A G E N D A

Business		Lead	Primary Action Requested
1. Minutes of meeting 20 June 2022	Pages (1 - 4)	Chair	To approve
2. JIAC Action Schedule	Pages (5 - 10)	Chair	To receive
3. Annual Cycle of Business 2022/23	Pages (11 - 12)	Chief Finance Officer (OPCC) & Head of Finance and Business Services (HP)	To receive
<u>External Audit</u>			
4. Audit Completion Report	Pages (13 - 70)	Mazars	To receive
<u>Internal Audit</u>			
5. Progress Reports	Pages (71 - 93)	West Yorkshire Police (Internal Audit)	To receive
<u>Force Update</u>			
6. Force Complaints Update	Verbal	Statutory Operations Manager (OPCC)	To receive
7. Feedback from the Force HMICFRS Assurance Group	Verbal	JIAC Members	To receive
<u>Other Business</u>			
8. Next Meeting	-	JIAC Members	To consider
9. Any Other Business	-	Chair	-

JOINT INDEPENDENT AUDIT COMMITTEE

MONDAY, 18 JULY 2022

Office of the Police and Crime Commissioner, The Lawns, Harland Way, Cottingham,
HU16 5SN

1

PRESENT

Members:

James Doyle (Chair), Chris Brown, Pam Jackson, Kathryn Lavery, Gerry Wareham

Officers:

Humberside Police (HP)

Sabine Braddy - Financial Accountant, James Tabor - Strategic Planning Manager and Jim Wright - Head of Finance and Business Services/S.151 Officer (HP)

Office of Police and Crime Commissioner (OPCC)

Martyn Ransom - Deputy Chief Finance Officer and Kevin Wilson - Chief Finance Officer

Auditors

Gavin Barker (External Audit) and Neil Rickwood (Internal Audit)

Committee Manager

Samm Campbell

30/22 MINUTES OF 20 JUNE 2022 - Agreed

31/22 JIAC ACTION SCHEDULE - Received

32/22 ANNUAL CYCLE OF BUSINESS 2022/23 - The Committee received its draft Annual Cycle of Business for the 2022/23 financial year.

Agreed - That the Annual Cycle of Business for the 2022/23 financial year be received.

33/22 DRAFT ANNUAL ACCOUNTS 2021/22 (CHIEF CONSTABLE) - The Committee received the draft Annual Account for 2021/22 presented by the Head of Finance and Business Services/S.151 Officer.

The draft Annual Accounts for the year ending 31 March 2022 had been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, published by the Chartered Institute of Public Finance and Accountancy (CIPFA). The public inspection period for the Accounts would begin on 18 July 2022.

The following points were discussed:

- Staffing in the Control Room had been uplifted slightly.

- The Accounts contained reference to certain performance measures in order to provide a sample to link financial performance with the Force's overall performance. These would be reviewed to ensure that the Accounts provided useful context.
- Each Area Command was responsible for the management of its own budget but staff pay was controlled centrally. Variances and underspends were monitored and summarised in the outturn report in May of each year. Carry-forwards of up to £500k could be requested by Area Commands through an associated governance process.
- The Force had concentrated on resolving longer-term outstanding debtors.

Agreed - That the draft Annual Accounts 2021/22 (Chief Constable) be received.

34/22 DRAFT ANNUAL ACCOUNTS 2021/22 (POLICE AND CRIME COMMISSIONER) -

The Committee received the draft Annual Account for 2021/22 presented by the Chief Finance Officer.

The draft Annual Accounts for the year ending 31 March 2022 had been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, published by the Chartered Institute of Public Finance and Accountancy (CIPFA). The public inspection period for the Accounts would begin on 18 July 2022.

Agreed - That the draft Annual Accounts 2021/22 (Police and Crime Commissioner) be received.

35/22 EXTERNAL AUDIT STRATEGY MEMORANDUM - The Committee received the Audit Strategy Memorandum 2021/22 presented by Gavin Barker (Mazars).

The three significant risks, which were common in the sector and the same as they had been in previous years, were:

1. management override of controls;
2. Net defined benefit liability evaluation, and
3. valuation of property, plant and equipment (relevant to the PCC and Group Accounts only).

Mazars planned to meet the deadline of 30 November 2022 for the final audit of the accounts.

Agreed - That the Audit Strategy Memorandum 2021/22 be received.

36/22 INTERNAL AUDIT PROGRESS REPORT - The Committee received a report on the progress of the internal audit and draft internal audit reports presented by Neil Rickwood (West Yorkshire Police).

There were seven audits in progress at the time of the meeting:

STATUS OF AUDITS	2022/23 (as at 7 July 22) APPENDIX A
Final Reports with Response Received	-
Final Reports – Response Awaited	-
Final Reports – No Response Required	-
Work Completed/ Advice/ briefings provided	-
Draft Reports Issued	-
In Progress	7
TOTAL	7

The most significant development since the previous meeting had been the completion and issuing of the External Quality Assessment (EQA) Final Report by the Head of Audit for Merseyside Police under the peer review arrangements previously agreed and presented to

the respective audit committees. An accompanying Quality Assurance Improvement Plan (QAIP) had been compiled from both the self-assessment and the external assessment exercises in accordance with the requirements of the professional internal audit standards.

Agreed - That the report be received.

37/22 HMICFRS FORCE ASSURANCE GROUP FEEDBACK - Recent meetings of the Assurance Group had been cancelled while the Force was being inspected and meetings were due to recommence in August 2022 under revised terms of reference.

Agreed - That the update be noted.

38/22 UPDATE ON NUMBERS AND DEPLOYMENT OF ADDITIONAL RECRUITED OFFICERS - A presentation providing an update on the numbers and deployment of additional recruited officers was circulated to Members of the Committee.

39/22 FUTURE MEETING VENUE - Agreed - That the meeting of the Committee due to be held on 26 September 2022 be held at the Office of the Police and Crime Commissioner site at the Lawns in Cottingham.

ROLLING ACTION SCHEDULE OF JOINT INDEPENDENT AUDIT COMMITTEE - HUMBERSIDE POLICE/OFFICE OF POLICE & CRIME COMMISSIONER

Date of Meeting	Agenda Item	Minute Number	Action	Officer to Action	Complete/Update
20 June 2022	Strategic Risk Update	21/22	(b) that the full risk register be circulated to the Committee.	James Tabor - Strategic Planning Manager	Complete – the register was circulated.
20 June 2022	Internal Audit Progress Update	24/22	(b) that subsequent internal audit reports contain timelines for recommendations.	Neil Rickwood (West Yorkshire Police)	
21 March 2022	Declarations of Gifts, Hospitality and Sponsorship	09/22	(a) That the Gifts and Hospitality form be amended to include an additional column to include who offered the gift/hospitality.	Paul Wainwright - Head of Assurance and Statutory Duties (OPCC)	Complete – this is now included.
21 March 2022	Declarations of Gifts, Hospitality and Sponsorship	09/22	(b) That the Chief Executive of the OPCC publish a separate register of interests form.	Paul Wainwright - Head of Assurance and Statutory Duties (OPCC)	Complete – register of interests completed annually.
13 December 2021	Numbers and Deployment of Additional Recruited Officers	56/21	That regular updates be provided to the Committee.	Emma Bowen - Head of People Services (HP)	Complete - added to annual cycle of business on a bi-annual basis
27 September 2021	Whistleblowing, Fraud and Anti-Bribery and Anti-Money Laundering Policy Updates	40/21	That the update be removed from annual cycle of business.	Gareth Naidoo - Committee Manager	Complete - annual cycle of business updated.
27 September 2021	OPCC Staff Register of Interests [Minutes of 19 July 2021 - reference to previous Minute 30/21]	36/21	That the staff register of interests of the OPCC be published on the OPCC website.	Clare Rex - Statutory Operations Manager (OPCC)	Complete - The staff register of interests is now published on the website: https://www.humberside-pcc.gov.uk/Transparency/Who-We-are-and-What-We-Do/Who-We-Are-and-What-We-Do.aspx
19 July 2021	Chief Constable & Police and Crime Commissioner Draft Financial Statements	30/21	Members also queried the role of the Chief Executive of the OPCC as a non-executive director on the Board of Ongo Partnership Limited: <ul style="list-style-type: none"> Duration to date of her role as non-executive director on the Board of Ongo Partnership Limited and whether it was a remunerated post; Any involvement in the £650,000 Safer Streets Grant Income awarded to Ongo Partnership Limited and whether this was recurring expenditure. <p><i>The Chief Finance Officer (OPCC) agreed to confirm the details of this with Members outside the meeting.</i></p>	Kevin Wilson - Chief Finance Officer (OPCC)	Complete - The Chief Executive of the OPCC wrote to the Chair following the meeting.
19 July 2021	Annual Cycle of Business 2021/22	29/21	That the items 'Decoupling of the joint HR function with South Yorkshire Police' and 'Update on the numbers of and deployment of additional recruited officer' be received at the next meeting (27 September 2021).	Emma Bowen - Head of People Services (HP)	Complete - included on the agenda for 13 December 2021.
7 June 2021	AOB - FOI request figures	26/21	That it be confirmed how and where Freedom of Information (FOI) request figures are disclosed.	James Tabor - Strategic Planning Manager (HP)	Complete - FOI disclosures are made via the website at this address: https://www.humberside.police.uk/what-weve-already-released-under-foi
7 June 2021	Risk Register Report	20/21	That the item 'Police Legitimacy' be included on a future meeting agenda.	James Tabor - Strategic Planning Manager (HP)	Complete - an update was provided to the Committee at its meeting of 13 December 2021.
7 June 2021	PCC Register of Interest	17/21	That regarding the publication of the PCC's Register of Interest (Minute 7/21 'Declarations of Gifts, Hospitality and Sponsorship'), it be clearly stated on the website that it has been updated annually.	Paul Wainwright - Head of Assurance and Statutory Duties (OPCC)	Complete - the OPCC reviews the publication of the Register of Interests annually and this is made clear on the website.



ROLLING ACTION SCHEDULE OF JOINT INDEPENDENT AUDIT COMMITTEE - HUMBERSIDE POLICE/OFFICE OF POLICE & CRIME COMMISSIONER

Date of Meeting	Agenda Item	Minute Number	Action	Officer to Action	Complete/Update
22 March 2021	CIPFA Financial Management Code	9/21	That the significant compliance demonstrated by the self-assessment against the FM Code be noted and that the areas of partial compliance be developed further during 2021/22	Kevin Wilson - Chief Finance Officer (OPCC)	Complete - an update was provided to the Committee at its meeting of 13 December 2021.
22 March 2021	Treasury Management Strategy Statement 2021/22	8/21	(a) That a paragraph be added to reference potential impact of public sector pay. (b) That the Strategy Statement be updated to reflect the latest budget and reference to the extended furlough schemes.	Kevin Wilson - Chief Finance Officer (OPCC)	Complete - Strategy updated to reflect these requests.
22 March 2021	Declarations of Gifts, Hospitality and Sponsorship	7/21	It was noted that the PCC Register of Interest only detailed interests since taking up office in 2016 and was queried whether this should be updated annually. It was agreed that the Chief Finance Officer would look into this matter further.	Kevin Wilson - Chief Finance Officer (OPCC)	Complete - the register is reviewed annually, but this is unclear on the website. The website has been updated to make this clear.
22 March 2021	Draft Annual Governance Statement - Chief Constable	5/21	The Head of Finance and Business Services/S.151 Officer (HP) agreed to check if a good level of custody support had been maintained over the last year.	Jim Wright - Head of Finance and Business Services/S.151 Officer (HP)	Complete - There has been no shortfall in custody support during the pandemic. Support has been provided by Appropriate Adults UK.
22 March 2021	Force Complaints Update	4/21	That the Committee receive future updates on a bi-annual basis.	Gareth Naidoo - Committee Manager/ Clare Rex - Statutory Operations Manager (OPCC)	Complete - added to annual cycle of business bi-annually for 2021/22
22 March 2021	Risk Register	3/21	(b) That the Risk Register be regularly published on the website in order to support the Committee's bi-annual review of this.	James Tabor - Strategic Planning Manager (HP)	Complete - the risk registers will be updated with the latest that is reported to the Accountability Board. This also allows for a consistent understanding.
22 March 2021	Annual Cycle of Business	2/21	That the Annual Cycle of Business be included as standing item alongside the Action Schedule on every agenda.	Gareth Naidoo - Committee Manager	Complete
14 December 2020	Updated Corporate Governance Framework	41/20	(b) That guidance be issued to all Force and OPCC staff reminding them of the sign-off procedure for Conflict of Interest matters	Kevin Wilson - Chief Finance Officer (OPCC) & Jim Wright - Head of Finance and Business Services/S.151 Officer (HP)	Complete - Reminders on the sign-off procedure for Conflict of Interest matters are posted on the Force Intranet on an at least annual basis for all staff to view. The last reminder posting was 29/08/2020 and the time before that was 11/04/2019. Another reminder will therefore be posted during 2021.   Code of Ethics 2014.pdf Business Interests and Voluntary Work
14 December 2020	Updated Corporate Governance Framework	41/20	(c) That under 'Money Laundering' the Framework be explicit regarding crypto currency;	Kevin Wilson - Chief Finance Officer (OPCC) & Jim Wright - Head of Finance and Business Services/S.151 Officer (HP)	Complete - The Code of Corporate Governance has been updated accordingly (March 2021) and re-published on the OPCC web-site.
14 December 2020	Updated Corporate Governance Framework	41/20	(d) That the Chair of JIAC be added as a route for reporting whistle blowing;	Kevin Wilson - Chief Finance Officer (OPCC) & Jim Wright - Head of Finance and Business Services/S.151 Officer (HP)	Complete - The Code of Corporate Governance has been updated accordingly (March 2021) and re-published on the OPCC web-site.
14 December 2020	Updated Corporate Governance Framework	41/20	(e) That the Head of Finance and Business Services/S.151 Officer (HP) confirm the command procedures should the Chief Constable and Deputy Chief Constable both be absent at the same time.	Jim Wright - Head of Finance and Business Services/S.151 Officer (HP)	Complete - In the highly unlikely event that anything happened to both the Chief Constable and the Deputy Chief Constable, then an Assistant Chief Constable would be designated.

ROLLING ACTION SCHEDULE OF JOINT INDEPENDENT AUDIT COMMITTEE - HUMBERSIDE POLICE/OFFICE OF POLICE & CRIME COMMISSIONER

Date of Meeting	Agenda Item	Minute Number	Action	Officer to Action	Complete/Update
14 December 2020	Internal Audit - Progress Report	46/20	That the implementation/timeframe for completing the audit on 'Repeat Victims: Tasking & Problem Solving' be confirmed in due course.	Neil Rickwood (Internal Audit)	Complete - The full audit on Repeat Victims will commence in March/April 2021 - the interim audit was finalised in November 2020 with the latest action deadline of December 2020. So further audit work from March 2021 will have given 6 months for the new processes to have matured/become embedded. This in turn will ensure that the findings/issues subsequently reported will provide a more accurate reflection of how systems in this area have developed/progressed and been implemented.
28 September 2020	Revised Complaints Process	27/20	(a) That the Committee receive a progress report (and to include compliments) in six months' time.	Clare Rex - Statutory Operations Manager (OPCC)	Complete - Progress report received at 22 March 2021 meeting.
28 September 2020	Revised Complaints Process	27/20	(b) That the administration process of the review mechanism be circulated to Members of the Committee.	Clare Rex - Statutory Operations Manager (OPCC)	Complete - Administration process of the review mechanism circulated to Members of the Committee.
27 July 2020	Minutes & Action Schedule of 8 June 2020	16/20	That the following narrative be added to Minute 4/20: <i>"A Member noted that the Committee was responsible for independent assurance to the PCC and Chief Constable on the adequacy of the governance and risk management frameworks and queried the complete omission from the risk register of the judicial review, to which the Chief Constable was a defendant, given the potential impact on reputation and public confidence. The PCC agreed it should have been included on the risk register and said the process was being reviewed."</i>	Committee Manager	Complete - Minutes amended and published on OPCC website.
27 July 2020	Risk Management Register Update	17/20	That any long running risks that have not changed status or progressed be reviewed on a periodic basis and reported to the Committee accordingly.	James Tabor - Strategic Planning Manager (HP)	Complete - Added to annual cycle of business on a 6 monthly basis.
27 July 2020	Melton 2 Project Update	21/20	(b) That the plans/presentation slides be placed on the secure portal for Members to access.	Committee Manager	Complete - Placed under the 'Reference Material' page on secure portal on 28 July 2020 for Members to access
8 June 2020	Internal Audit Progress Report 2020/21	11/20	That Internal Audit provide an update at a future meeting on areas where best practice can be gleamed or implemented.	Internal Audit	Complete - Updated provided at meeting of 14 December 2020.
8 June 2020	Year-End Financial Outturn 2019/20	9/20	(a) That the link to the Melton 2 Project Decision Record on the Force website be shared with Members; (b) That an update on the Melton 2 Project be provided as part of a future Member Development Session and added to the Annual Cycle of Business	(a) Assurance Manager (OPCC) (b) S.151 Officer for the Chief Constable/ Committee Manager	(a) Complete - link shared with Members via email 8 June 2020. (b) Complete - added to Member Development session topic list on Annual Cycle of Business .Also added as an update presentation for 27 July meeting.
8 June 2020	Risk Management Register Update	4/20	That an update on the Force Risk Management Register be brought to the next meeting.	Assurance Manager (OPCC) and Head of Corporate Development (HP)	Complete - added to agenda for 27 July 2020
8 June 2020	Risk Management Register Update (Revised Complaints Process)	2/20	(a) That a briefing on the revised arrangements for dealing with Force complaints be placed as a reserve item on Annual Cycle of Business and added to a future meeting agenda at the appropriate time; (b) That an update on the decoupling of the joint HR function with South Yorkshire Police be placed as a	(a) Statutory Operations Manager (OPCC) (b) Assistant Chief Officer (Resources) (c) Committee Manager	(a) Complete - To be added to the agenda for 28 September 2020. (b) Complete - Added to list of reserve items on Annual Cycle of Business

ROLLING ACTION SCHEDULE OF JOINT INDEPENDENT AUDIT COMMITTEE - HUMBERSIDE POLICE/OFFICE OF POLICE & CRIME COMMISSIONER

Date of Meeting	Agenda Item	Minute Number	Action	Officer to Action	Complete/Update
			reserve item on Annual Cycle of Business and added to a future meeting agenda at the appropriate time; (c) That an action schedule be produced for monitoring and tracking completed actions.		(c) Complete - action schedule updated and will be included with the minutes at each meeting.
20 December 2019	Professional Standards Department	373	That a briefing on the revised arrangements for dealing with complaints should be provided to a future meeting	Claire Rex (OPCC)	Complete - Added to the agenda for 28 September 2020.
20 December 2019	External Audit Progress Report	374	That more information on the Redmond Review and NAO consultation be provided for Members	External Audit (Mazars)	Complete - Update provided at meeting of 14 December 2020.
20 December 2019	IS Governance And Financial Management	389	That the report be noted and an update be brought to the next meeting.	Internal Audit	Complete - Update provided at 8 June 2020 meeting.
23 September 2019	Implementation Of The Humberside Police/Humberside Fire And Rescue Service Joint Estates Collaboration And Performance Management	358 Repeat of 328 and 331	Report to the Fire and Rescue Transformation Board to be submitted to a future meeting of the Committee.	Assistant Chief Officer (Resources) [HP]	Complete - Fire and Rescue Transformation Board no longer in existence.
23 September 2019	Force Update On Current Issues	358	T/ACC Young and ACO(R) invited members to attend problem solving training in respect of the Neighbourhood Policing Strategy and to visit the Hydra Suite at Courtland Road and consideration be given to holding future meetings at alternative venues.	T/ACC Young and ACO(R) Deputy Chief Executive and Treasurer	Complete - Committee meeting on 9 December 2019 to be held at Courtland Road to allow Hyrda Suite visit. Future meetings to be arranged at alternative venues if possible.
23 September 2019	Internal Audit - Progress Report	360	Members commented on the HMICFRS focus on a process in relation to RUI as against using information to establish whether its use was correct and to identify lessons learned to improve effectiveness.	Head of Audit/ Deputy Chief Executive and Treasurer	Complete - Use of RUI and HMICFRS focus raised at the HMIC Governance Group.
23 September 2019	Committee Self-Assessment and Annual Report	363 Repeat of 341 and 351	Self-Assessment Improvement Plan and updated Draft Annual report to be submitted to the next meeting.	Deputy Chief Executive and Treasurer	Complete - Updated improvement plan and draft annual report on the December 2019 agenda.
23 September 2019	Annual Fraud Risk Assessment	367	The process of Annual Fraud Risk Assessment be continued in 2020. The Head of Professional Standards Department be asked to present to a future meeting of the Committee.	Deputy Chief Executive and Treasurer/ Risk and Governance Officer	Complete - Annual Fraud Risk Assessment to be continued in 2020 and reported to this Committee. Head of Professional Standards' briefing on the agenda.
23 September 2019	Civil Claims	368	That details of claims submitted and costs during the period April to September 2019 be reported to the Committee.	Head of Legal Services	Complete - Report placed on the Member secure area.
29 July 2019	Committee Self-Assessment and Annual Report	351	Self-Assessment Improvement Plan and updated Draft Annual report to be submitted to the next meeting.	Deputy Chief Executive and Treasurer	Complete - Updated improvement plan and draft annual report on the December 2019 agenda.
07 June 2019	Implementation Of The Humberside Police/Humberside Fire And Rescue Service Joint Estates Collaboration And Performance Management	331	Report to the Fire and Rescue Transformation Board to be submitted to a future meeting of the Committee.	Assistant Chief Officer (Resources) [HP]	Complete - Fire and Rescue Transformation Board Report to be provided for a future meeting
07 June 2019	Force Update On Current Issues	333	T/ACC Young and ACO(R) invited members to attend problem solving training in respect of the Neighbourhood Policing Strategy and to visit the Hydra Suite at Courtland Road and consideration be given to holding future meetings at alternative venues.	T/ACC Young and ACO(R) Deputy Chief Executive and Treasurer	Complete - Committee meeting on 9 December 2019 to be held at Courtland Road to allow Hyrda Suite visit. Future meetings to be arranged at alternative venues if possible.
07 June 2019	Committee Self-Assessment and Annual Report	341	Self-Assessment Improvement Plan and updated Draft Annual report to be submitted to the next meeting.	Deputy Chief Executive and Treasurer	Complete - Updated improvement plan and draft annual report on the December 2019 agenda.

ROLLING ACTION SCHEDULE OF JOINT INDEPENDENT AUDIT COMMITTEE - HUMBERSIDE POLICE/OFFICE OF POLICE & CRIME COMMISSIONER

Date of Meeting	Agenda Item	Minute Number	Action	Officer to Action	Complete/Update
18 March 2019	Implementation Of The Humberside Police/Humberside Fire And Rescue Service Joint Estates Collaboration And Performance Management	328	Report to the Fire and Rescue Transformation Board to be submitted to a future meeting of the Committee.	Assistant Chief Officer (Resources) [HP]	Complete - Fire and Rescue Transformation Board Report to be provided for a future meeting

JIAC Annual Cycle of Business

Agenda Item/Issue	20 Jun 2022	18 Jul 2022	26 Sep 2022	12 Dec 2022	20 Mar 2023	Lead
Standing Items						
Minutes of previous meeting	X	X	X	X	X	Committee Manager
Action Schedule	X	X	X	X	X	Committee Manager
Draft Annual Cycle of Business for next financial year					X	Committee Manager
Timetable of Meetings				X		Committee Manager
Statutory and Corporate Governance & Risk Management						
Risk Registers (full review)	X			X		Paul Wainwright - Assurance Manager (OPCC)/James Tabor - Strategic Planning Manager (HP)
Force Complaints Update			X		X	Clare Rex - Statutory Operations Manager (OPCC)
Draft Annual Governance Statements					X	Paul Wainwright - Assurance Manager (OPCC) & Jim Wright - Head of Finance and Business Services (HP)
Declarations of Gifts, Hospitality & Sponsorship (<i>link to Force & OPCC websites</i>)					X	Kevin Wilson - Chief Finance Officer (OPCC) & Jim Wright - Head of Finance and Business Services (HP)
Finance						
Treasury Management Strategy					X	Kevin Wilson - Chief Finance Officer (OPCC)
Treasury Management Mid-Term Review				X		Kevin Wilson - Chief Finance Officer (OPCC)
Treasury Management Annual Report	X					Kevin Wilson - Chief Finance Officer (OPCC)
Draft Accounts		X				Kevin Wilson - Chief Finance Officer (OPCC) & Jim Wright - Head of Finance and Business Services (HP)
Audited Accounts		X				Kevin Wilson - Chief Finance Officer (OPCC) & Jim Wright - Head of Finance and Business Services (HP)
External Audit						
Audit Strategy Memorandum	X					Gavin Barker - Mazars (External Audit)
Report Updates	X			X		Gavin Barker - Mazars (External Audit)
Audit Completion Report		X				Gavin Barker - Mazars (External Audit)
Auditor's Annual Report	X			X		Gavin Barker - Mazars (External Audit)
Audit Opinion		X			X	Gavin Barker - Mazars (External Audit)
Internal Audit						
Annual Audit Plan (Review and Approve)					X	Neil Rickwood - West Yorkshire Police (Internal Audit)
Progress Reports (including any final reports)	X	X	X	X	X	Neil Rickwood - West Yorkshire Police (Internal Audit)
Head of Internal Audit Opinion and Annual Report						Neil Rickwood - West Yorkshire Police (Internal Audit)
Force Update						
Force HMICFRS Assurance Group Update	X	X	X	X	X	JIAC Members
Update on Numbers and Deployment of Additional Recruited Officers	X			X		Emma Bowen - Head of People Services (HP)

Additional Items						

Audit Completion Report

Office of the Police and Crime
Commissioner for Humberside and the
Chief Constable for Humberside – Year
ended 31 March 2022

September 2022



Contents

- 01** Executive summary
- 02** Status of the audit
- 03** Audit approach
- 04** Significant findings
- 05** Internal control recommendations
- 06** Summary of misstatements
- 07** Value for Money

Appendix A: Draft management representation letter

Appendix B: Draft audit report

Appendix C: Independence

Appendix D: Other communications

Our reports are prepared in the context of the 'Statement of Responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. Reports and letters prepared by appointed auditors and addressed to the Police and Crime Commissioner for Humberside (PCC) and Chief Constable for Humberside (CC) are prepared for the sole use of the PCC and CC and we take no responsibility to any member or officer in their individual capacity or to any third party. Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales.

Mr J Evison – Police and Crime Commissioner for Humberside

Mr L Freeman – Chief Constable for Humberside

Humberside Police
Police Headquarters
Priory Road
Hull
HU5 5SF

16 September 2022

Dear Sirs

Audit Completion Report – Year ended 31 March 2022

We are pleased to present our Audit Completion Report for the year ended 31 March 2022. The purpose of this document is to summarise our audit conclusions.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum which we presented on 20 June 2022. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

We would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 07896 684 771.

Yours faithfully

Gavin Barker

Gavin Barker

Mazars LLP

Mazars LLP
The Corner
Bank Chambers
26 Mosley Street
Newcastle Upon Tyne
NE1 1DF

01

Section 01:

Executive summary

1. Executive summary

Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2021/22 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- Management override of controls;
- Net defined benefit liability valuation; and
- Valuation of property, plant and equipment (Group and PCC only).

Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements; unadjusted misstatements total £896k. Section 7 outlines our work on the PCC and CC's arrangements to achieve economy, efficiency and effectiveness in its use of resources.

Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2022. We will provide an update to the PCC, CC and the members of the Joint Independent Audit Committee in relation to the matters outstanding at the point this report was written immediately prior to signing the audit opinion through issuance of a follow up letter.

Subject to the satisfactory conclusion of the remaining audit work, we have the following conclusions:



Audit opinion

We anticipate issuing an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.



Value for Money

The National Audit Office has issued an extended timeframe for reporting the results of our work on the PCC and CC's arrangements for securing economy, efficiency and effectiveness in its use of resources. We will report the results of our work in our Auditor's Annual Report within three months of issuing our audit opinion. Further detail on our Value for Money work is provided in section 7 of this report.



Whole of Government Accounts (WGA)

We have not yet received group instructions from the National Audit Office in respect of our work on the PCC and CC's WGA submission. We are unable to commence our work in this area until such instructions have been received.



Wider powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the PCC and CC and to consider any objection made to the accounts. There have been no matters raised with us in respect of the 2021/22 audit.

Executive summary

Status of audit

Audit approach

Significant findings

Internal control recommendations

Summary of misstatements

Value for Money

Appendices




02

Section 02:

Status of the audit

2. Status of the audit




Audit area	Status	Description of the outstanding matters
Expenditure		We are resolving our outstanding queries in respect of non-pay expenditure, pay expenditure and officer's emoluments.
Income		We are resolving our final queries in relation to income cut off.
Property, Plant and Equipment		We are completing our work on the valuation, rights and obligations and existence of property, plant and equipment. We are also resolving our final queries on the reconciliation of the property, plant and equipment disclosure to the fixed asset register.
Investments		We are awaiting the third party confirmation of the £6m investment held with Santander.
Debtors		We are resolving our final query in relation to debtors.
Cash and Cash Equivalentents		We are awaiting evidence of reconciling items and resolving our final queries in relation to the year end bank reconciliation.
Creditors		We are awaiting evidence for one item from our sample of year end creditors.

-  Likely to result in material adjustment or significant change to disclosures within the financial statements.
-  Potential to result in material adjustment or significant change to disclosures within the financial statements.
-  Not considered likely to result in material adjustment or change to disclosures within the financial statements.



2. Status of the audit

Audit area	Status	Description of the outstanding matters
Pensions		We are finalising our work on the LGPS and Police Pension scheme and are awaiting assurance from the East Riding Pension Fund auditor, in relation to the LGPS.
Unusable Reserves		We are finalising our work on the minimum revenue provision.
Journals		We are reviewing the evidence provided to support the sample of journals selected for testing.
Letter of Representation		Receipt of signed Letter of Management Representation
Whole of Government Accounts (WGA)		Completion of audit procedures supporting the WGA return to the NAO.
Audit Quality Control and Completion Procedures		Our audit work is subject to ongoing review and quality control procedures. In addition, there are residual procedures to complete, including agreeing the expected amendments to the final Statements of Accounts, updating post balance sheet event considerations to the point of issuing the opinion and reviewing management’s going concern assertion.

-  Likely to result in material adjustment or significant change to disclosures within the financial statements.
-  Potential to result in material adjustment or significant change to disclosures within the financial statements.
-  Not considered likely to result in material adjustment or change to disclosures within the financial statements.



03

Section 03: **Audit approach**

3. Audit approach

Changes to our audit approach

We provided details of our intended audit approach in our Audit Strategy Memorandum in June 2022. We have not made any changes to our audit approach since we presented our Audit Strategy Memorandum.

Materiality

Our provisional materiality at the planning stage of the audit was set at £5.8m for the Group, £5m for the PCC and £5.7m for the CC using a benchmark of 2% of operating expenditure. Our final assessment of materiality, based on the final financial statements and qualitative factors is £6.3m for the Group, £5.2m for the PCC and £6.1m for the CC using the same benchmark.

Use of experts

We provide information below on the use of experts as part of the audit and there were no changes to the planned approach as outlined in the ASM.

Item of account	Management's expert	Our expert
Defined benefit liability	Government Actuary's Department (Police Pension Scheme) and Hymans Robertson(LGPS).	PWC actuarial experts provided a review of the key assumptions used by the Government Actuary's Department and Hymans Robertson.
Property, plant and equipment valuation	Carter Jonas	We used available third-party information to challenge the key valuation assumptions.

Service organisations

We provide information below on the use of service organisations and there were no changes to the planned approach as outlined in the ASM.

Items of account	Service organisation	Audit approach
Processing the treasury management system underpinning loans and investment figures and financial instrument disclosures within the financial statements.	Hull City Council	We are also the auditor of the Council and have direct access to accounting records and staff. Accordingly, we have substantively tested the financial statements in the same way as if the PCC did not rely on a service organisation. We reviewed and documented the controls in place for production of the financial statements and also within the material financial information systems.
Payment of pension lump sums and monthly pension payroll to retirees under the Police Pension schemes.	XPS	Sufficient access has been provided by Humberside Police to perform a walkthrough of transactions as part of our planning work. We have been given access to accounting records from XPS via Humberside Police for substantive testing of pensions at the year-end.
IT systems	South Yorkshire Police	Although IT systems are provided by South Yorkshire Police, we have had full access to everything needed to test the inputs and outputs to and from the financial systems.



04

Section 04: **Significant findings**

In this section we outline the significant findings from our audit. These findings include:

- our audit conclusions regarding significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 15 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year; and
- any significant difficulties we experienced during the audit.

Significant risks

Management override of controls

Description of the risk

This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.

In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.

How we addressed this risk

We addressed this risk through performing audit work over:

- Accounting estimates impacting amounts included in the financial statements;
- Consideration of identified significant transactions outside the normal course of business; and
- Journals recorded in the general ledger and other adjustments made in preparation of the financial statements.

Audit conclusion

Subject to satisfactory completion of the outstanding work noted in section 2 of this report, there are no matters to report in respect of the risk of management override of controls.

Executive summary

Status of audit

Audit approach

Significant findings

Internal control
recommendations

Summary of
misstatements

Value for Money

Appendices

Net defined benefit liability valuation**Description of the risk**

The financial statements contain material pension entries in respect of the retirement benefits. The calculation of these pension figures, both assets and liabilities, can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. This results in an increased risk of material misstatement.

How we addressed this risk

We addressed this risk by:

- discussing with key contacts any significant changes to the pension estimates;
- evaluating the management controls in place to assess the reasonableness of the figures provided by the Actuary and considering the reasonableness of the Actuary's output, referring to an expert's report on all actuaries nationally;
- reviewing the appropriateness of the key assumptions included within the valuations, comparing them to expected ranges and reviewing the methodology applied in the valuation;
- considering the adequacy of disclosures in the financial statements; and
- obtaining assurance from the auditor of East Riding Pension Fund.

Audit conclusion

Subject to satisfactory completion of the outstanding work noted in section 2 of this report, there are no matters to report in respect of the net defined benefit liability valuation.

Valuation of property, plant and equipment (relevant to the PCC and Group Accounts only)

Description of the risk

The financial statements contain material entries on the Balance Sheet as well as material disclosure notes in relation to the PCC and Group's holding of PPE. Although the PCC uses a valuation expert to provide information on valuations, there remains a high degree of estimation uncertainty associated with the revaluation of PPE due to the significant judgements and number of variables involved in providing revaluations. We have therefore identified the valuation of PPE to be an area of significant risk.

How we addressed this risk

We addressed this risk by:

- considering the PCC's arrangements for ensuring that PPE values are reasonable;
- using available third-party data to assess the reasonableness of the valuations provided by the external valuer and to confirm the assets not revalued are unlikely to have materially changed in value;
- assessing the competence, skills and experience of the valuer;
- discussing the methods used with the valuer and examining test valuations; and
- testing a sample of revaluations in year to valuation reports and supporting calculation sheets and ensuring the calculations are correct and agree to source data.

Audit conclusion

Subject to satisfactory completion of the outstanding work noted in section 2 of this report, there are no matters to report in respect of the valuation of property, plant and equipment.

Qualitative aspects of the PCC and CC's accounting practices

We have reviewed the PCC and CC's accounting policies and disclosures and concluded they comply with the 2021/22 Code of Practice on Local Authority Accounting, appropriately tailored to the PCC and CC's circumstances.

Draft accounts were received from the PCC and CC on 29 July 2022 and were of a good quality.

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management.

Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2021/22 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such objections have been raised with us during the audit.

Delay in the audit certificate

The issue of the Audit Certificate confirms that we have discharged all of our audit responsibilities and that the audit is formally 'closed'. The Audit Certificate would normally be published in our Auditor's Report on the

Statement of Accounts. We expect to issue the audit report but the Audit Certificate will not be issued until the following procedures are complete:

- Value for money - We are yet to complete our work in respect of the PCC and CC's arrangements for the year ended 31 March 2022 and expect to report our findings in the 2021/22 Annual Auditors Report within 3 months of giving our audit opinion. At the time of preparing this report, we have not identified any significant weaknesses in the PCC and CC's arrangements that require us to make any recommendations.
- Whole of Government Accounts - The NAO has not yet issued its Group Instructions to enable this work to be undertaken.

We will update the Joint Independent Audit Committee when more information is known but at this stage the draft Auditor's Report at Appendix B assumes that we are not able to issue the Audit Certificate at this stage.

Executive summary

Status of audit

Audit approach

Significant findings

Internal control
recommendations

Summary of
misstatements

Value for Money

Appendices

05

Section 05:

Internal control recommendations

5. Internal control recommendations

The purpose of our audit was to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our findings and recommendations are set out below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. In summary, the matters arising fall into the following categories:

Priority ranking	Description	Number of issues
1 (high)	In our view, there is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of business strategic objectives. The recommendation should be taken into consideration by management immediately.	
2 (medium)	In our view, there is a need to strengthen internal control or enhance business efficiency. The recommendations should be actioned in the near future.	
3 (low)	In our view, internal control should be strengthened in these additional areas when practicable.	



5. Internal control recommendations

Deficiencies in internal control – Level 2

Description of deficiency – Accounts receivable control accounts reconciliation

Our walkthrough of accounts receivable identified that the accounts receivable control account reconciliations had not been performed by the finance team for months 1 to 10. The reconciliation had been performed for months 11 and 12.

Potential effects

Inconsistencies between the accounts receivable values in the accounts receivable system and general ledger are not identified and resolved.

Recommendation

The accounts receivable control account reconciliations should be completed monthly and on a timely basis.

Management response

A process of completing monthly accounts receivable reconciliations has been in place since January 2022, since being highlighted during the 20-21 audit.



5. Internal control recommendations

Deficiencies in internal control – Level 2

Description of deficiency – Review of control account reconciliations

Our walkthrough of the bank reconciliation, accounts receivable and accounts payable identified that the bank reconciliations, and accounts receivable and accounts payable control account reconciliations had not been reviewed by a second officer.

Potential effects

Failure to perform control account reconciliations or unresolved discrepancies may go unnoticed.

Recommendation

The bank reconciliation and accounts receivable and accounts payable control account reconciliations should be reviewed by a second officer and evidence retained of the review.

Management response

New processes have since been implemented to ensure the required review and authorisations take place.



5. Internal control recommendations

Deficiencies in internal control – Level 2

Description of deficiency – Petty cash year end reconciliation

Our testing of the bank reconciliation highlighted that year end petty cash reconciliation had been completed on 22 March 2022 and not as at 31 March 2022.

Potential effects

The petty cash value does not reflect the actual year end balance.

Recommendation

The year end petty cash reconciliation should be performed as at 31 March 2022

Management response

Management to ensure the year end petty cash reconciliation is completed on the 31 March.



5. Internal control recommendations

Deficiencies in internal control – Level 2

Description of deficiency – ID management (Oracle)

We performed a test over the ID Management and noted that there is one shared account (CAPITA1) using the system. We understand the account belongs to the third party provider but we don't know the number of people accessing it.

Potential effects

Inappropriate or fraudulent access to IT resources. Fraudulent or unintentional data alteration or entry and loss of the audit trail / logs of user actions.

Recommendation

Generic accounts should be avoided as they present a traceability issue. When a generic account is not needed it should be disabled (e.g. enabling training accounts only when needed). Whenever possible, individual accounts should be attributed to each user.

We also recommend the implementation of a periodic review focusing on the assessment of user access rights and disabling the accounts/rights that are no longer required.

Management response

The CAPITA1 account has been disabled and separate accounts have been created for the Capita staff whom support the system and have vetting clearance. Rather than immediately delete the CAPITA1 account, we have disabled it so it can be easily re-enabled should there be any urgent issues with the Capita staff gaining access to their accounts, but after a settling in period, the CAPITA1 account will be removed. Discussions are underway to organise a periodic review as part of the Account Management process.



5. Internal control recommendations

Deficiencies in internal control – Level 2

Description of deficiency – User access review (Oracle)

Enquiries of the Head of IT highlighted that there were no periodic user access reviews conducted in the audit period.

Potential effects

Inappropriate or fraudulent access to IT resources. Fraudulent or unintentional data alteration or entry.

Recommendation

In order to ensure access is appropriately restricted, we recommend the implementation of a periodic review covering all users at both network and applications levels. The review should include, but not be limited to:

- Users that have not logged on (the network/application) for more than 90 days;
- Generic accounts; and
- Checking that segregation of duties is appropriately enforced.

Review documentation/reports should also be standardised and retained for monitoring and audit purposes.

Management response

Discussions are underway to organise a periodic review as part of the Account Management process.



5. Internal control recommendations

Deficiencies in internal control – Level 3

Description of deficiency – Disaster recovery management (Oracle)

Enquiries of the Head of IT highlighted that the disaster recovery plan had not been tested.

Potential effects

Failure to update the disaster recovery plan may result in a partial or complete loss of data, as in the case of disaster not all employee are aware of their duties, or the key contact personnel information is not appropriately updated so it is not possible to contact all key personnel.

Recommendation

In order to ensure proper and timely recovery in case of a disaster or major incident, we recommend testing the Disaster Recovery Plan on at least an annual basis.

Management response

A meeting has been arranged on 20/09/22, to begin discussions for the planning and testing of a Disaster Recovery Plan for ERP, which will then be implemented on an annual basis.



5. Internal control recommendations

Follow up on previous internal control points

Description of deficiency – Exit packages

As part of our testing of exit payments, we reviewed an ex gratia payment of £50k relating to a now former employee. We sought evidence of the approval of the payment, the reasons for the payment and the determination of the amount to be paid.

Ex gratia payments, which are payments that are made where there is no legal liability, are by their nature sensitive payments, and they are also relatively few in number. Given their nature, it is all the more important that there is a clear record not only of the decision reached, but also of the considerations as part of the decision making process, the reasons for the decision and the justification for the level of settlement made. Such a decision record is important to demonstrate appropriate governance and proper decision making.

Records were provided that supported the decision, in line with the Governance Framework and required approvals. However, a formal decision record process is not currently in place and should be implemented as this would improve recording and evidencing of such decisions.

We have received assurances from the Chief Finance Officer of the Chief Constable’s office that the payment was properly approved, and that it was fully considered and appropriately paid. We have been provided with background information that supports this position. We are satisfied based on these representations that the payment was appropriate. Steps need to be taken to ensure that a proper decision record is maintained in future.

Potential effects

Without a decision record, it may be difficult to support sensitive and potentially contentious decisions, making it more difficult to demonstrate appropriate governance and proper decision making.

Recommendation

For future such payments, where there is no report or minutes supporting a sensitive decision of this nature, a separate decision record should be kept. This should clearly record the decision reached, the considerations as part of the decision making process, the reasons for the decision and the justification for the level of settlement made.

2021/22 update

A decision process has been implemented by People Services so that such decisions are formally recorded.



5. Internal control recommendations

Follow up on previous internal control points (continued)

Description of deficiency – Treasury Management Strategy

The decision record for the approval of the Treasury Management Strategy was missing a record reference and signature. The strategy informs the treasury management team of how to invest and borrow in the financial year meaning there is no further approval of individual investments providing they are within value limits set out within the overarching strategy.

Potential effects

Investments and loans are made without appropriate approval.

Recommendation

All decision records should be signed, dated and referenced to evidence approval.

2021/22 update

The Treasury Management Strategy for 2021/22 was approved on 31/3/2021 and has been recorded as a decision and published on the PCC website.



5. Internal control recommendations

Follow up on previous internal control points (continued)

Description of deficiency – Land valuation

Limited information is provided by the external valuer to support the calculation of asset land values.

Potential effects

Inaccurate land values may not be identified as the finance team have limited information on which to assess the reasonableness of land valuations.

Recommendation

A review should be undertaken of the evidence provided by the valuer to support the valuation of land as a high level reasonableness check.

2021/22 update

A high level check has been performed to ensure the building/land areas used in the valuation are accurate and to ensure the reasonableness of movements in asset value. In addition the valuer has supplied comparator data as part of the year end valuation.



5. Internal control recommendations

Follow up on previous internal control points (continued)

Description of deficiency – Accounts payable control account reconciliation

Our walkthrough of accounts payable identified that the accounts payable control account reconciliations had not been performed by the finance team on a monthly basis during 2020/21 due to staffing changes.

Potential effects

Inconsistencies between the accounts payable values in the accounts payable system and general ledger are not identified and resolved.

Recommendation

The accounts payable control account reconciliations should be completed monthly and on a timely basis.

2021/22 update

Our 2021/22 walkthrough highlighted that the control account reconciliations have not been performed for months 1 to 9. However, from month 10 onwards the control is in operation.



5. Internal control recommendations

Follow up on previous internal control points (continued)

Description of deficiency – IT controls – leavers access

When testing leavers, it was noted that 4 user account disabling requests arrived after the actual leaving date. We inspected the user account details from the leavers list and AD user list and noted that although the access was removed for the leavers, it was not performed in a timely manner.

Potential effects

Unauthorised access to the network may compromise data confidentiality and integrity.

Recommendation

In order to ensure access is appropriately restricted, and avoid compromising the confidentiality and integrity of data, we recommend ensuring that the user access management process is complied with in terms of time and quality, through:

- Issuing disabling requests for all leavers;
- Ensuring disabling requests are issued timely (before the actual leaving date of the employee); and
- Implementing a periodic review at both network and application level, for identifying, investigating and solving any exceptions to the user access management process.

2021/22 update

Our IT work in the current year identified no similar findings.



5. Internal control recommendations

Follow up on previous internal control points (continued)

Description of deficiency – Related parties

During our work on related parties in 2019/20, we identified 3 interests held by management that had not been included on the Declaration of Interests forms. In all three instances there had been no transactions with the related parties during 2019/20. Our work in 2020/21 also identified 3 interests held by management that had not been included on the Declaration of Interests forms.

Potential effects

Transactions with related parties are made and not disclosed.

Recommendation

Officers should be reminded to include all interests on their Declaration of Interest forms.

2021/22 update

Our work on related parties in 2021/22 has highlighted no interests held that had not been included on the Declaration of Interest forms.



06

Section 06:

Summary of misstatements

6. Summary of misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £189k for the Group, £157k for the PCC and £184k for the CC. The first table outlines the misstatements that were identified during the course of our audit which management has assessed as not being material either individually or in aggregate to the financial statements and does not currently plan to adjust.

The second table outlines the misstatements that have been adjusted by management during the course of the audit.

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: CC Debtors – prepayments			£896	
	Cr: CC Expenditure		£896		
<p>Our expenditure testing identified CC expenditure of £12k included in 2021-22, but that related to 2022/23. The expenditure related to an annual licence fee that covered the period 15-11-21 to 14-11-22. The value of £896k reflects the value of the extrapolated error across the sampled population.</p>					
Total unadjusted misstatements			£896	£896	



6. Summary of misstatements

Disclosure amendments

Our audit has identified a small number of errors and adjustments in relation to other disclosures. These have been discussed with management who have agreed to the amendments and include, but are not limited to:

Note 14 Officer’s Emoluments and Exit Packages (PCC and Group) – the disclosure has been amended to correctly show one of the 2 support staff included in the £80,000 to £84,999 banding in the £85,000 to £89,999 banding.

Cash Flow Statement and Note 35 Notes to Cash Flow Statement (PCC and Group) – the adjustments for non-cash movements disclosure has been amended to show other non-cash movements of (£2,804k), previously stated as (£1,255k). The investing activities disclosure has been amended to show purchase of property, plant and equipment of £21,487k and purchase of intangible assets of £1,633k, previously stated as £19,686k and £1,885k respectively. The Cash Flow Statement has also been amended to reflect the changes.

In addition to the above, we identified a small number of minor disclosure and presentational issues during our audit of the financial statements and these have all been amended by the PCC and CC.



07

Section 07: **Value for Money**

7. Value for Money

Approach to Value for Money

We are required to consider whether the PCC and CC has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- **Financial sustainability** - How the PCC and CC plans and manages its resources to ensure it can continue to deliver its services
- **Governance** - How the PCC and CC ensures that it makes informed decisions and properly manages its risks
- **Improving economy, efficiency and effectiveness** - How the PCC and CC uses information about its costs and performance to improve the way it manages and delivers its services

At the planning stage of the audit, we undertake work to understand the arrangements that the PCC and CC has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

The table overleaf outlines the risks of significant weaknesses in arrangements that we have identified, the risk-based procedures we have undertaken, and the results of our work.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report.

The primary output of our work on the PCC and CC's arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report.

Status of our work

We are yet to complete our work in respect of the PCC and CC's arrangements for the year ended 31 March 2022. At the time of preparing this report, we have not identified any significant weaknesses in arrangements that require us to make a recommendation, however we continue to undertake work on the PCC and CC's arrangements.

Our draft audit report at Appendix B outlines that we have not yet completed our work in relation to the PCC and CC's arrangements. As noted above, our commentary on the PCC and CC's arrangements will be provided in the Auditor's Annual Report which is required to be issued within 3 months of giving our audit opinion.



7. Value for Money

Follow up of previously-reported significant weaknesses in arrangements

In August 2022 we reported one significant weakness to the PCC and CC. As part of our work in 2021/22, we will follow up the progress made by the PCC and CC against the recommendations made, and determine whether the significant weakness remains during the year.

Significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Work undertaken and conclusions reached
<p>1 Significant weakness – Chief Constable</p> <p>Humberside Police have a collaborative arrangement in place with a neighbouring Force for the provision of Information Systems and Information Technology services. As a result of management concerns, an Internal Audit (IA) review of Information Services (IS) Corporate Governance and Financial Management was commissioned and reported in October 2019 a conclusion of Inadequate Assurance. Following the IA review, management identified further significant issues and this led to the implementation of changes to improve the arrangements in place, which were ongoing during the year ended 31 March 2021.</p> <p>During 2020/21 IA undertook a follow-up review of IS Corporate Governance and Financial Management and in January 2021 reported that progress had been made, with evidence of improvement across all the key areas of weakness identified in the initial review. However, IA also acknowledged the significant and, in some cases, long term nature of some of the outstanding and ongoing improvement actions. IA issued an overall Limited Assurance (positive direction of travel) rating.</p> <p>The ongoing Limited Assurance rating is relevant to the financial year ending 31 March 2021 and, in our view, indicates that although improvements have been made, a significant weakness existed in the Chief Constable’s arrangements for governance in this area during the year. The Chief Constable needs to fully address the weaknesses identified in the Internal Audit report, as these weaknesses adversely impact upon the oversight and delivery of IS services which underpin wider policing services.</p> <p>Recommendation</p> <p>We recommend that the Chief Constable ensures all the outstanding issues reported are addressed and that further monitoring of improvement actions is undertaken. The Chief Constable should also continue to engage IA to independently follow up on implementation of improvement action until sufficient assurance is obtained that internal controls are both embedded and operating effectively and that the governance and financial management arrangements in place in respect of the collaborative provision of information services are sufficiently robust.</p>		●		<p>We have not yet completed our follow up work in relation to 2021/22. We will report our findings in relation to this at a later date.</p>

7. Value for Money

Follow up of previously-reported significant weaknesses in arrangements (continued)

Significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Work undertaken and conclusions reached
<p>1 Significant weakness – Police and Crime Commissioner</p> <p>Humberside Police have a collaborative arrangement in place with a neighbouring Force for the provision of Information Systems and Information Technology services. As a result of management concerns, an Internal Audit (IA) review of Information Services (IS) Corporate Governance and Financial Management was commissioned and reported in October 2019 a conclusion of Inadequate Assurance. Following the IA review, management identified further significant issues and this led to the implementation of changes to improve the arrangements in place, which were ongoing during the year ended 31 March 2021.</p> <p>During 2020/21 IA undertook a follow-up review of IS Corporate Governance and Financial Management and in January 2021 reported that progress had been made, with evidence of improvement across all the key areas of weakness identified in the initial review. However, IA also acknowledged the significant and, in some cases, long term nature of some of the outstanding and ongoing improvement actions. IA issued an overall Limited Assurance (positive direction of travel) rating.</p> <p>The ongoing Limited Assurance rating is relevant to the financial year ending 31 March 2021 and, in our view, indicates that although improvements have been made, a significant weakness existed in the Chief Constable’s arrangements for governance in this area during the year. The Chief Constable needs to fully address the weaknesses identified in the Internal Audit report, as these weaknesses adversely impact upon the oversight and delivery of IS services which underpin wider policing services.</p> <p>This also represents a significant weakness for the Police and Crime Commissioner who is elected by the public to hold the Chief Constable and the Force to account.</p> <p>Recommendation</p> <p>We recommend that the PCC puts in place robust monitoring and reporting processes to hold the CC to account for making the required improvements to the corporate governance and financial management of the IS collaborative arrangement.</p>		●		<p>We have not yet completed our follow up work in relation to 2021/22. We will report our findings in relation to this at a later date.</p>

Appendices

A: Draft management representation letter

B: Draft audit report

C: Independence

D: Other communications

Appendix A: Draft management representation letter – Office of the Police and Crime Commissioner for Humberside and Group

To: Mr Gavin Barker
Director
Mazars LLP

Date:

Office of the Police and Crime Commissioner for Humberside and the Group - audit for year ended 31 March 2022

This representation letter is provided in connection with your audit of the financial statements of Office of the Police and Crime Commissioner for Humberside and the Group (the PCC and Group) for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) and applicable law.

I confirm that the following representations, to the best of my knowledge and belief, are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code and applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the PCC and Group you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Chief Finance Officer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information. As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.



Appendix A: Draft management representation letter – Office of the Police and Crime Commissioner for Humberside and Group

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all PCC and committee meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with Code and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the PCC and Group’s financial position, financial performance and cash flows.

Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used by the PCC and Group in making accounting estimates, including those measured at current or fair value, are reasonable.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the PCC and Group have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code and applicable law.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.



Appendix A: Draft management representation letter – Office of the Police and Crime Commissioner for Humberside and Group

The PCC and Group has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

I acknowledge my responsibility as Chief Finance Officer for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the PCC and Group involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the PCC and Group’s financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code and applicable law. I have disclosed to you the identity of the PCC and Group’s related parties and all related party relationships and transactions of which I am aware.

Charges on assets

All the PCC and Group’s assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment below their carrying value at the balance sheet date. An impairment review is, therefore, not considered necessary.



Appendix A: Draft management representation letter – Office of the Police and Crime Commissioner for Humberside and Group

Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code and applicable law, require adjustment or disclosure have been adjusted or disclosed .Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Going concern

I confirm that I have carried out an assessment of the potential impact of the COVID-19 Virus pandemic on the PCC and Group, including the impact of mitigation measures and uncertainties and I am satisfied that the going concern assumption remains appropriate and that no material uncertainty has been identified.

To the best of my knowledge there is nothing to indicate that the PCC and Group will cease to continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the financial statements.

Unadjusted misstatements

I confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. These are attached in Appendix A. **PLEASE ADD A SCHEDULE OF UNADJUSTED MISSTATEMENTS.**

Yours faithfully

Chief Finance Officer:

Date:



Appendix A: Draft management representation letter – Chief Constable for Humberside

To: Mr Gavin Barker
Director
Mazars LLP

Date:

Chief Constable for Humberside - audit for year ended 31 March 2022

This representation letter is provided in connection with your audit of the financial statements of Chief Constable for Humberside (Chief Constable) for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) and applicable law.

I confirm that the following representations, to the best of my knowledge and belief, are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code and applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Chief Constable you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Chief Finance Officer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information. As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including



Appendix A: Draft management representation letter – Chief Constable for Humberside

minutes of all Chief Constable and committee meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with Code and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Chief Constable’s financial position, financial performance and cash flows.

Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used by the Chief Constable in making accounting estimates, including those measured at current or fair value, are reasonable.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Chief Constable have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code and applicable law.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Chief Constable has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.



Appendix A: Draft management representation letter – Chief Constable for Humberside

Fraud and error

I acknowledge my responsibility as Chief Finance Officer for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Chief Constable involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Chief Constable's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code and applicable law. I have disclosed to you the identity of the Chief Constable's related parties and all related party relationships and transactions of which I am aware.

Charges on assets

All the Chief Constable's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code and applicable law, require adjustment or disclosure have been adjusted or disclosed .Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.



Appendix A: Draft management representation letter – Chief Constable for Humberside

Going concern

I confirm that I have carried out an assessment of the potential impact of the COVID-19 Virus pandemic on the Chief Constable, including the impact of mitigation measures and uncertainties and I am satisfied that the going concern assumption remains appropriate and that no material uncertainty has been identified.

To the best of my knowledge there is nothing to indicate that the Chief Constable will cease to continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the financial statements.

Unadjusted misstatements

I confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. These are attached in Appendix A. **PLEASE ADD A SCHEDULE OF UNADJUSTED MISSTATEMENTS.**

Yours faithfully

Chief Finance Officer:

Date:



Appendix B: Draft audit report - Office of the Police and Crime Commissioner for Humberside and Group

Independent auditor’s report to the Office of the Police and Crime Commissioner for Humberside and Group

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of the Office of the Police and Crime Commissioner for Humberside and Group (PCC and Group) for the year ended 31 March 2022, which comprise the PCC and Group Comprehensive Income and Expenditure Statement, the PCC and Group Movement in Reserves Statement, the PCC and Group Balance Sheet, the PCC and Group Cash Flow Statement, the Group and PCC Police Pension Fund and Net Assets Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the PCC and Group as at 31st March 2022 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities section of our report. We are independent of the Group and PCC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Financial Officer’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the PCC and Group’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report.

Other information

The Chief Financial Officer is responsible for the other information. The other information comprises the Annual Governance Statement and information included in the Statement of Accounts, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



Appendix B: Draft audit report - Office of the Police and Crime Commissioner for Humberside and Group

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Chief Financial Officer for the financial statements

As explained more fully in the Statement of the Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes 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 2021/22, and for being satisfied that they give a true and fair view. The Chief Financial Officer is also responsible for such internal control as the Chief Financial Officer 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 is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and prepare the financial statements on a going concern basis on the assumption that the functions of the PCC and Group will continue in operational existence for the foreseeable future. The Chief Financial Officer is responsible for assessing each year whether or not it is appropriate for the PCC and Group to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Council, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015 and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Chief Financial Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to :

- discussing with management and the PCC the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the PCC and Group which were contrary to applicable laws and regulations, including fraud.



Appendix B: Draft audit report - Office of the Police and Crime Commissioner for Humberside and Group

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the PCC on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the PCC. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Chief Financial use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in September 2021.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the PCC's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our view we are not satisfied that the PCC has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have not completed our work on the PCC's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in December 2021, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2022.

We will report the outcome of our work on the PCC's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Responsibilities of the Office of the Police and Crime Commissioner for Humberside

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

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the PCC has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the PCC's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



Appendix B: Draft audit report - Office of the Police and Crime Commissioner for Humberside and Group

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Use of the audit report

This report is made solely to the Office of the Police and Crime Commissioner for Humberside as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Office of the Police and Crime Commissioner for Humberside those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Office of the Police and Crime Commissioner for Humberside, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed:

- the work necessary to issue our assurance statement in respect of the Group's Whole of Government Accounts consolidation pack;
- the work necessary to satisfy ourselves that the PCC has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Gavin Barker

Key Audit Partner

For and on behalf of Mazars LLP

The Corner
Bank Chambers
26 Mosley Street
Newcastle Upon Tyne
NE1 1DF

Date:

Executive summary

Status of audit

Audit approach

Significant findings

Internal control
recommendations

Summary of
misstatements

Value for Money

Appendices

Appendix B: Draft audit report – Chief Constable for Humberside

Independent auditor’s report to the Chief Constable for Humberside

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of the Office of the Police and Crime Commissioner for Humberside and Group (PCC and Group) for the year ended 31 March 2022, which comprise the PCC and Group Comprehensive Income and Expenditure Statement, the PCC and Group Movement in Reserves Statement, the PCC and Group Balance Sheet, the PCC and Group Cash Flow Statement, the Group and PCC Police Pension Fund and Net Assets Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the PCC and Group as at 31st March 2022 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities section of our report. We are independent of the Group and PCC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Financial Officer’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the PCC and Group’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report.

Other information

The Chief Financial Officer is responsible for the other information. The other information comprises the Annual Governance Statement and information included in the Statement of Accounts, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



Appendix B: Draft audit report – Chief Constable for Humberside

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Chief Financial Officer for the financial statements

As explained more fully in the Statement of the Chief Financial Officer’s Responsibilities, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes 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 2021/22, and for being satisfied that they give a true and fair view. The Chief Financial Officer is also responsible for such internal control as the Chief Financial Officer 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 is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and prepare the financial statements on a going concern basis on the assumption that the functions of the Chief Constable will continue in operational existence for the foreseeable future. The Chief Financial Officer is responsible for assessing each year whether or not it is appropriate for the Chief Constable to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Council, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Chief Financial Officer’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions. Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Chief Constable the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Chief Constable which were contrary to applicable laws and regulations, including fraud.



Appendix B: Draft audit report – Chief Constable for Humberside

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Chief Constable on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Chief Constable. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in September 2021.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our view we are not satisfied that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have not completed our work on the Chief Constable's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in December 2021, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2022.

We will report the outcome of our work on the Chief Constable's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Responsibilities of the Chief Constable

The Chief Constable is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



Appendix B: Draft audit report – Chief Constable for Humberside

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021.

Matters on which we are required to report by exception under the Code of Audit Practice

- We are required by the Code of Audit Practice to report to you if:
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
 - we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
 - we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Use of the audit report

This report is made solely to the Chief Constable for Humberside as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Chief Constable for Humberside those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Chief Constable for Humberside, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

- We cannot formally conclude the audit and issue an audit certificate until we have completed:
- the work necessary to issue our assurance statement in respect of the Group’s Whole of Government Accounts consolidation pack;
 - the work necessary to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Gavin Barker

Key Audit Partner
For and on behalf of Mazars LLP

The Corner
Bank Chambers
26 Mosley Street
Newcastle Upon Tyne
NE1 1DF

Date



As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors. We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.



Other communication	Response
Compliance with Laws and Regulations	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations. Or detail significant matters identified.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
External confirmations	<p>We are still awaiting the 3rd party confirmation from Santander.</p>
Related parties	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ol style="list-style-type: none"> a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
Going Concern	<p>We have not identified any evidence to cause us to disagree with the Chief Financial Officer that the PCC and CC will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements.</p> <p>We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.</p>



Other communication	Response
Subsequent events	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor’s report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
Matters related to fraud	<p>We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition to the work performed by us, we will obtain written representations from management, and the Police and Crime Commissioner and Chief Constable, confirming that</p> <ol style="list-style-type: none"> a. they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; b. they have disclosed to the auditor the results of management’s assessment of the risk that the financial statements may be materially misstated as a result of fraud; c. they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: <ol style="list-style-type: none"> i. Management; ii. Employees who have significant roles in internal control; or iii. Others where the fraud could have a material effect on the financial statements; and d. they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity’s financial statements communicated by employees, former employees, analysts, regulators or others.



Gavin Barker, Director

gavin.barker@mazars.co.uk

Mazars

The Corner

Bank Chambers

26 Mosley Street

Newcastle Upon Tyne

NE1 1DF

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws.

Report of the Head of Audit

INTERNAL AUDIT PROGRESS REPORT

1 PURPOSE OF THE REPORT

1.1 The report sets out the current progress against the 2022/23 Audit Plan.

2 BACKGROUND

2.1 This Progress Report monitors the delivery of work undertaken in relation to the provision of shared Internal Audit services as per the Joint Service arrangements between West Yorkshire and Humberside Police & Crime Commissioner (PCC) and the respective Police Forces.

Table 1: Summary of Progress against the Audit Plan for 2022/23

STATUS OF AUDITS	2022/23 (as at 14 Sept 22) APPENDIX A
Final Reports with Response Received	1
Final Reports – Response Awaited	-
Final Reports – No Response Required	-
Work Completed/ Advice/ briefings provided	-
Draft Reports Issued	3
In Progress	5
TOTAL	9

2.2 Progress against the 2022/23 audit plan has continued and since the last JIAC in July one report, Overtime Processes has been issued as a final report with management responses. This audit provided ‘substantial assurance’ and demonstrated a number of areas of good practice. In addition three audits are currently at the draft report stage. All audits once finalised are made available in full on the members portal.

2.3 Further to previous committee discussions two additions have been made to the progress report:

- An audit progress/ status column has been expanded on and added to Appendix A. The audit progress has also been RAG rated to assist in highlighting any potential areas of concern.
- A more detailed recommendation follow-up and action tracker report has also been incorporated into the progress report (see Appendix B), following previous committee discussions.

3 OPTIONS, RISKS AND OPPORTUNITIES

- 3.1 If the Internal Audit function does not provide an efficient and effective risk based audit service the Police and Crime Commissioner and Force will be unable to obtain an appropriate level of assurance regarding the system of internal control operating within both organisations.

4 POLICING PLAN AND PERFORMANCE

- 4.1 Internal audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

5 IMPACTS ON OR LINKS TO COLLABORATION

- 5.1 The Internal Audit function is provided to the Humberside Police & Crime Commissioner and Chief Constable by internal audit staff from the West Yorkshire Office of the Police & Crime Commissioner under a s22 agreement with the Police and Crime Commissioner for West Yorkshire.

6 FINANCIAL IMPLICATIONS

- 6.1 There are no direct, specific financial implications within the progress report. However, individual audits contained within the report may include recommendations which contribute to a more effective use of resources and enhance the value for money being obtained by the Force/ PCC. In addition, wherever practicable, recommendations are made which do not cause the PCC/ Force to incur additional costs.

7 LEGAL IMPLICATIONS

- 7.1 The Police and Crime Commissioner and Chief Constable are required to ensure that appropriate Internal Audit arrangements are in place.

8 EQUALITY AND DIVERSITY AND HUMAN RIGHTS

- 8.1 There are none in the context of this report.

9 CONCLUSION

- 9.1 The report summarises progress to date against the 2022/23 audit plan and updates members on the findings of the External Quality Assessment.

10 RECOMMENDATIONS

- 10.1 It is recommended that the Joint Independent Audit Committee note the contents of the report and discuss any issues arising.

Contact Officer:

Neil Rickwood, Head of Audit

Background documents:

Appendix A - Audit Plan 2022/23 (to date)

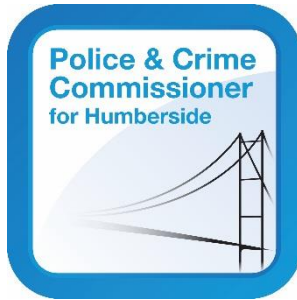
Appendix B – Recommendation Follow-up & Action Tracker Report

Appendix A – 2022/23 Internal Audit Plan and Progress (as at 14 September 2022)

<i>Audit Name</i>	<i>Scheduled</i>	<i>Type of Audit</i>	<i>Audit Progress & Status (RAG rated)</i>	<i>Audit Opinion</i>	<i>Description</i>
OHU	c/f 21/22	Assurance/ Support	In Progress <i>Internal Audit have requested more information and data for the demand analysis in advance of meeting in October to discuss findings (earliest opportunity due to auditee availability/ leave).</i>		Completion of carried forward audit work commenced late in Q4.
VAWG	Q1-2	Risk	In Progress <i>Initial plan was to start the audit in Q1, however it has been requested by HP that the audit take place in Q3-4. The purpose of this is to give sufficient time for VAWG activity to be more effectively embedded.</i>		Audit to evaluate/ provide assurance regarding HP's overall prevention approach to VAWG.
Serious Sexual Offences (SSO) investigation quality	Q1-2	Risk	DRAFT REPORT <i>At Draft Report Stage – issued late August 2022.</i>	Reasonable	Review of the quality of investigations in relation Serious Sexual Offences (SSO) with a key focus on a victim informed approach as part of these investigations. Initial work commenced in 21/22 which has been incorporated in the 22/23 audit programme as an expanded scope.
Force Vetting	Q1-2	Assurance/ Support	DRAFT REPORT <i>Audit re-commenced Sept 2022 once CoreVet implemented.</i>	Limited	A review of the vetting arrangements in place for both police officers and police staff. The audit was initially planned for Q1 but was postponed pending the implementation of CoreVet. The audit is due to commence in September 2022.
Overtime Processes	Q1-2	Financial Systems	FINAL REPORT (issued July 22)	Substantial	Review of overtime processes – Police Officer and Police Staff

<i>Audit Name</i>	<i>Scheduled</i>	<i>Type of Audit</i>	<i>Audit Progress & Status (RAG rated)</i>	<i>Audit Opinion</i>	<i>Description</i>
Victim Code Compliance	Q1-2	Governance	In Progress <i>Audit is currently in progress – audit delayed as required Niche access to conduct sample testing. This required an IT request to be submitted and DPIA form to be completed – which has added time to the audit. Niche access now granted.</i>	-	Wider audit focussing on the ‘harder to measure aspects’ not just regularity of victim updates / victim right to review.
Custody	Q3	Risk	Planned to commence Oct 2022 <i>(subject to Niche access currently being processed as above)</i>		A review of the management of the risks associated with custody services.
Logistics	Q3	Assurance/ Support	In Progress <i>Scoping meeting and draft Audit Brief issued for feedback.</i>	-	A review of the management and administration of Annual Leave, RDIL and Time Off processes within the logistics function.
Management of Offenders	Q3-4	Assurance/ Support	<i>Planned for Q4</i>	-	Management of Offenders including IOM and the specific management of sex offenders within the community – including the use of VAST (lie detector technology)
IS Audit Universe workstream	Q3-4	Risk/ Governance	<i>Meeting held with Head of IS & SYP IA (19 Aug) to agree joint audit approach -work Q3-4 to be scoped between both IA functions.</i>	-	IS Department commissioned an ITIL assessment exercise which identified areas of risk which will provide direction for subsequent audit activity for a shared audit programme of work with SYP IA team. IS are subsequently undertaking an organisational review and review of their target operating model. In the interim it has been agreed that IA will add value by auditing change/ demand management, asset management and cybersecurity.
Financial Systems Assurance & Testing	Q4	Financial Systems	<i>Planned for Q4</i>	-	Annual review of Key Financial Systems, including Payroll, Debtors, Creditors & Budget Monitoring

<i>Audit Name</i>	<i>Scheduled</i>	<i>Type of Audit</i>	<i>Audit Progress & Status (RAG rated)</i>	<i>Audit Opinion</i>	<i>Description</i>
Follow-Up Exercises Crime Screening	Q1-4	Follow-up	DRAFT REPORT (1) FU originally delayed due to Force Crime & Incident Registrar involvement in HMICFRS PEEL inspection process. Audit commenced & completed in Sept 2022.	Reasonable	Follow up of previous audits, providing assurance to JIAC and Senior Management that actions relied on to address risk are implemented with particular reference to fundamental & significant recommendations in areas of limited assurance.
Follow-Up Exercises Golden Hours Principles	Q3-4	Follow-up	In progress (2) FU of findings reported in a Briefing Note in 2021/22 which related to issues first identified in 2019. Discussions to take place as part of the Patrol Board agenda to determine the actioning and ownership of the areas for improvement identified.	-	Follow up of previous audits, providing assurance to JIAC and Senior Management that actions relied on to address risk are implemented with particular reference to fundamental and significant recommendations in areas of limited assurance.



Overtime Processes Final Report

Auditor	Julie Wraithmell-Giggall
Contact Details	Julie.wraithmell-giggall@westyorkshire.police.uk
Draft Report Issued	July 2022
Final Report Issued	July 2022

1 Executive Summary

1.1 Background

Overtime is the amount of time worked in excess of normal working hours. Failure to properly manage and control overtime claims and payments can result in significant financial pressures and overspends. The audit will focus on the controls in place at Humberside Police in relation to overtime processes.

1.2 Observations

1.2.1 *Advertisement, Authorisation & Allocation*

a) *Advertisement*

There are a number of processes by which overtime can initially be identified as required and advertised. These are primarily:

- Force Overtime Portal which is used to advertise overtime in preplanned events such as those in relation to Gold/Silver events, for example football. Individuals can apply for the overtime and this will be allocated by Duties. Overtime adverts to be placed on the Overtime Portal are approved by a Superintendent or above. The portal can only effectively be used for pre-planned overtime and is only available to view by those on duty at the time.
- VisaV system which is a national system available to advertise overtime. The drawback with this system is that individuals must be signed up using their mobile phone number. Humberside Police encourage only those who are more likely to want to do overtime to sign up. When a spontaneous event occurs, the system can be used to notify all registered individuals of the available overtime. The auditor was advised that this system has been rarely used, with only one recent example provided in relation to Stop The Oil Protests.
- Specialist Whatsapp Groups are used where short notice overtime is available to those with specific skills. Duty Officers will put a notification out via the relevant Whatsapp group(s) regarding available overtime.
- Ad hoc. This relates generally to niche areas or team specific overtime, such as CID, Duties etc. Overtime would be verbally agreed by the authorising officers after discussions with the available team members.

b) *Authorisation & Allocation*

Various factors are considered when Duty Planners are allocating overtime, including the mitigation of any excessive costs that might be applicable due to police regulations. For example, if overtime is undertaken on the last shift of a 4 on and 4 off and overtime runs after 7am of the day of the last shift, this would be considered as working a rest day and attracts additional cost.

Similarly, a police regulation referred to as +4 can have a significant impact. This relates to a minimum of 4 hours overtime entitlement where anything over 15 minutes overtime is being claimed. The force had recently undertaken a review, chaired by ACC Noble, in relation to +4.

Since the review it was considered that +4 claims to be well controlled, though more recently Payroll has been asked to resurrect the reporting of +4 claims for leadership team scrutiny.

The force has been pro-active in relation to feedback in respect of overtime where Annual Leave falls either side of a worked rest day. Per police regulations, this would attract entitlement to double time plus day in lieu, effectively resulting in payment of triple time. As a result of this excessive cost, overtime in such circumstances would rarely be allocated/approved. The Police Federation has agreed that in circumstances where officers want to work rest days they can opt to waive entitlement to enhanced pay and subsequently be allocated overtime. The auditor was advised that this process is now working well, with opt outs regularly provided to support an application for overtime. This is a good example of the force working to minimise the financial costs of overtime.

Overtime claims should be authorised by Inspector or above (or staff equivalent). Superintendent approval would be required for the majority of +4 claims (exceptions in respect of for example externally funded Abnormal Load overtime).

Overall, there are satisfactory controls in respect of the advertisement, authorisation and allocation of overtime.

Recommendation 1

Consideration should be given to exploring further opportunities to utilise the benefits of the VisaV system in relation to overtime resourcing of spontaneous incidents. Where necessary, efforts should be made to publicise and raise awareness in relation to the availability of this system and where applicable, further encourage sign up and promote effective use of the system.

1.2.2 Overtime Claim Processing, including TOIL Flip

a) Electronic Claim Form & Authorisation

Humberside Police utilise an electronic overtime claim process. Overtime is claimed via the electronic claim form and submitted to the authorising officer for checking and authorisation. The form itself requires specific details in relation to the date, time, reason of the overtime performed and where, notice period of overtime requirement, breakdown of overtime claimed including unsocial hours, who requested the overtime and authorising officer. The claimant should also indicate whether they want the overtime as payment or as Time Off In Lieu (TOIL).

The claim form is then submitted to the authorising officer for checking and approval. If the claim is rejected for any reason, the claim would be returned to the claimant (usually for further detail/information). Where the claim is authorised, this will then be automatically submitted to Payroll for processing.

b) Payroll Processing

Authorised claims submitted to Payroll are then subject to further checks regarding completeness of claims, evidence of appropriate authorisation and accuracy of hours/time

claimed. If the claim is rejected for any reason, the form would be returned to the claimant, noting the reason for rejection (possibly incomplete claim or inappropriate authorising officer). Where the checks verify the claim has been submitted correctly and appropriately authorised, the claim would be calculated for payment, taking into account applicable enhancements due in accordance with police regulations, unsocial hours payments etc. Checks are also made that the claim has been submitted within 3 months of the date of the overtime. Claims outside of 3 months will only be paid in exceptional circumstances. The payments due are submitted to pay, with the date of overtime included so that the appropriate rate of pay as per the date of overtime can be applied.

c) Audit Trail

The electronic claim form includes an audit trail which includes date of authorisation and date of Payroll checks, including comments relating to reasons for rejection, where applicable.

d) TOIL Flip

Where the claimant indicates a preference for TOIL instead of payment, this is credited to the TOIL balance. Claimants are encouraged to use or book TOIL within 3 months of the date of the overtime. Humberside Police implemented a TOIL Flip system approximately 2 years ago. This is meant to reduce the risk of excessive and historic TOIL balances being accrued that increase the risk of a later significant financial impact when balances are settled.

At midnight each day, the TOIL system will automatically 'flip' for payment any TOIL balances of 3 month old or more. Ordinarily the TOIL flipped for payment on any particular day will relate to TOIL accrued 3 months earlier, however, there are occasions when TOIL older than 3 months would flip for payment. This can occur where TOIL has been booked for a future date but following a change in shift pattern, the TOIL booking is cancelled. Where possible, duties do contact the individual to check if the TOIL needs to be rebooked, but due to the midnight deadline, there are occasions where TOIL is flipped and no opportunity has been given to rebook the TOIL. As well as the obvious financial impact, the auditor was advised that on many occasions the individual often suggests that they would have preferred to rebook the TOIL and not have it paid.

e) Audit Testing – Overtime Older Than 3 months.

Testing of 55 overtime claims made as at 1 April 2022 which related to overtime worked more than 3 months previously (1 January 2022) was undertaken. In 42 cases, the claim was submitted within 3 months of the overtime being undertaken and was therefore satisfactory. In the remaining 13 cases, all had appropriate rationale to justify exceptional circumstances and support payment being made outside of the applicable submission deadline.

f) Audit Testing – Plus 4 hours Authorisation

Testing of the 207 transactions recorded on the Plus 4 report provided to the auditor was undertaken. Of these, 167 were evidenced as being authorised by Superintendent level or above. Further testing of 10 of the 40 remaining transactions was undertaken to determine if there was additional notes/supporting information available to evidence appropriate approval. Of these, 9 were satisfactory in that additional information was available to support Supt approval or did not require Supt approval (in the case of externally funded Abnormal Load

overtime which is recharged to the external company). In the remaining 1 case, it is unclear from supporting notes that Supt approval had been sought in line with usual practice.

g) Audit Testing – TOIL Flip Older Than 3 months.

Testing of the 3 months TOIL Flip period February, March & April 2022 identified that a total of 726 TOIL Flip transactions had been made, 45 of which related to TOIL of more than 3 months old (likely to be cancelled TOIL bookings which flipped for payment before being rebooked). These 45 claims represent 141.6 hours paid out of a total of 2934.92 hours over the period tested. This demonstrates that overall the value and extent of historic TOIL Flip being made as a result of shift/work pattern changes is not material.

Overall, there are satisfactory controls in place to ensure overtime is appropriately authorised, calculated and paid correctly.

Recommendation 2

Consideration should be given to reminding claimants and authorising officers of the need to ensure appropriate authorising officer approval, including where relevant, evidence of Superintendent approval in relation to relevant Plus Four claims.

Recommendation 3

Consideration should be given to the feasibility of implementing a delay period for TOIL Flip where this is as a result of a cancelled TOIL booking following a change to shift/working patterns. This delay would enable notification to be made to the individual and an opportunity to rebook TOIL where this is the preferred option.

1.2.3 *Financial Management, Budget Monitoring & Exception Reporting*

a) Budget Setting, Monitoring & Reporting

The force budget for overtime in 2022/23 is a total of £3.023M, comprising of £2.520M in relation to Officers and £0.503M to Staff. These budgets exclude externally funded overtime for ports security, regional collaborations, prison liaison, events etc.

The overtime budget is allocated to meet additional costs for bank holidays, major incidents, football and a DCC contingency which are centrally managed, with a total of 933K devolved to Commands.

Where significant budget pressures are identified as part of the budget setting and budget management processes, these are escalated as appropriate. An example of this process working in practice was provided to the auditor, a March 2022 Chief Officer Group (COG) report. The report, sponsored by the Head of Finance & Business Services and ACO Shackleton, highlighted significant overtime budget pressures within the Special Operations Unit, projecting a shortfall of £134K and South Bank, projecting a shortfall of £60K. This provides an opportunity for Chief Officers to take informed decisions to appropriately mitigate the risk of overspends and failure to

effectively manage force budgets.

Monthly overtime reports are produced and circulated to the relevant budget holders. Operational Management Accountants are designated to each budget holder and are available for guidance, advice and support in relation to the management of their budgets.

b) TOIL Reporting

Monthly TOIL balance reports are produced which identify the potential financial value of existing unbooked TOIL which would flip for payment if not used or booked within the three month TOIL Flip deadline. The report is RAG rated to highlight those nearer to the 3 month deadline so appropriate supervisory intervention can be taken.

The June 2022 report provided to the auditor identified that there was a total balance of 179.1 hours TOIL at an estimated cost of £4,552.

c) Exception Reporting

As well as the recent resurrection of the Plus Four report noted earlier at 1.2.1b, Finance & Business Services produce a monthly high earners report which identifies the Top 50 Overtime earners in the period, their change in position from previous period and an extrapolated estimated annual earning based on in period amount. This report is circulated to leadership teams as well as the Professional Standards Department (PSD), allowing opportunity for early identification of potential indicators of financial difficulties which may make them vulnerable to manipulation and corruption.

Overall, there are satisfactory controls in place to ensure that overtime budgets are appropriately managed and controlled.

Recommendation 4

The force should continue to publish the monthly Plus Four report to provide opportunity for senior leadership teams to appropriately scrutinise submitted claims and where practical, implement appropriate remedial action to reduce the risk of future increased financial costs associated with Plus Four claims.

1.2.4 Wellbeing & Breach of Working Time Directive

The force Duty Management System (DMS) includes in-built controls which would identify if and where shifts were being entered which would result in a breach of Working Time Directive such as less than 11 hours rest and recuperation between shifts and insufficient rest days in a 14-day period. However, more generally in respect of wellbeing, this would be considered line management/supervision responsibility.

The Top 50 Overtime High Earner report noted at 1.2.3c also allows a high level overview to enable supervisors to identify potential wellbeing issues that may be associated with regular/long term high levels of overtime working.

Overall, there are satisfactory controls in place in respect of Wellbeing management and

compliance with Working Time Directive.

1.3 Conclusion

There is **substantial assurance** that Humberside Police has effective controls in place to properly manage and control overtime claims and payments.

	Commentary
Adequacy of Key Controls	There is substantial assurance in respect of the adequacy of key controls in relation to Overtime Processes. There are a small number of recommendations made within this report which might improve assurance further, including formalisation of the reporting & scrutiny of the monthly Plus Four report.
Application of Key Controls	There is substantial assurance in respect of the adequacy of the application of key controls in relation to Overtime Processes. There are a small number of recommendations made within this report which might improve assurance further, including reminders to claimants and authorising officers of the need to ensure appropriate authorising officer approval, including where relevant, evidence of Superintendent approval in relation to relevant Plus Four claims.
Assurance Level	1: Substantial Assurance
Overall Risk	

2 Scope and Approach of the Audit

The audit will consider the efficiency and effectiveness of controls in place in respect of overtime processes at Humberside Police to properly manage the following risks:

- Overtime/TOIL budgets are not effectively monitored and reported leading to increased risk of overspend.
- Overtime/TOIL spend is not effectively analysed to identify opportunities to more effectively manage demand/resources.
- Overtime/TOIL is not properly controlled and/or approved leading to increased risk of unnecessary/inappropriate overtime spend and the failure to obtain VFM.
- Overtime/TOIL claims are not submitted promptly leading to failure to effectively monitor overtime, increasing the risk of overspend.
- Overtime claims/TOIL payments are not paid correctly leading to increased risk of financial loss.
- Excessive overtime/TOIL claims are not identified and addressed leading to increased risk to wellbeing and breach of the Working Time Directive.

The scope is not exhaustive, and amendments may be made during the course of the review in light of any issues identified relating to value for money, fraud, integrity or ethics which may require further consideration. Any changes to the scope would be discussed and agreed with management and the Chief Officer Team sponsor.

A recommendation to improve the control environment is made in relation to areas where risks are not considered to be managed satisfactorily. Each recommendation is accompanied by an assessment of the likelihood and impact of the risk identified to the Force/ PCC as a whole.

Risks in this report have been assessed using the same criteria as that used by Humberside Police.

The report also comments on internal control. This gives an assessment of the strength of the controls in place in respect of the systems examined, rather than the Force/ PCC as a whole.

3 Report Distribution

Name/Role	Draft	Final	Final with Response
Kelly Harrison, Logistics & Resource Planning Manager	✓	✓	✓
Jim Wright, Head of Finance & Business Services	✓	✓	✓
Chris Philpott, Assistant Chief Officer	x	x	✓
Kevin Wilson, CFO, OPCC	x	x	✓
Donna Tranter, Head of Corporate Development	x	x	✓
James Tabor, Strategic Planning Manager	x	x	✓

4 Recommendations

#	Recommendation	Category of Rec.	Management Action	Action Manager & Action Date	Satisfactory Response (IA View)
1	Consideration should be given to exploring further opportunities to utilise the benefits of the VisaV system in relation to overtime resourcing of spontaneous incidents. Where necessary, efforts should be made to publicise and raise awareness in relation to the availability of this system and where applicable, further encourage sign up and promote effective use of the system.	Merits Attention	Logistics will organise with internal comms to re energise the VISAV system encouraging Officers to sign up. Tom Doherty-Montague to monitor sign ups.	Kelly Harrison August 2022	Yes
2	Consideration should be given to reminding claimants and authorising officers of the need to ensure appropriate authorising officer approval, including where relevant, evidence of Superintendent approval in relation to relevant Plus Four claims.	Merits Attention	A reminder will be issued as recommended.	Anna Ellwood August 2022	Yes
3	Consideration should be given to the feasibility of implementing a delay period for TOIL Flip where this is as a result of a cancelled TOIL booking following a change to shift/working patterns. This delay would enable notification to be made to the individual and an opportunity to rebook TOIL where this is the preferred option.	Merits Attention	Unfortunately, to change the setting in the system would be out of our control as it has been designed and programmed for all DMS users nationally by Capita. A request for change can be submitted to Capita, however only they can decide if they want to make any alterations to their system-DMS. Internally I can re communicate to all Duties Officers that when completing any	Kelly Harrison August 2022	Yes

#	Recommendation	Category of Rec.	Management Action	Action Manager & Action Date	Satisfactory Response (IA View)
			postings, they must complete a checklist and include TOIL already booked in the system to ensure it is re booked in that day before midnight to prevent payment. A report can be run at the time of the posting which will identify any TOIL booked in the system.		
4	The force should continue to publish the monthly Plus Four report to provide opportunity for senior leadership teams to appropriately scrutinise submitted claims and where practical, implement appropriate remedial action to reduce the risk of future increased financial costs associated with Plus Four claims.	Significant	These reports will continue to be provided to senior leadership teams as recommended.	Anna Ellwood August 2022	Yes

Classification of Recommendations:	
Fundamental	Action is needed to address risks that could impact on the Force’s ability to achieve its objectives. Action will typically be Force-wide and be necessary at the highest level. Other fundamental recommendations will be made in regard to potentially serious breaches of statutory obligations.
Significant	Action is needed to address risks that impact primarily on one major business area or to address lower risks on Force-wide basis.
Merits Attention	Action is advised to enhance control, remedy minor breaches of current controls or to improve efficiency.

5 Appendix: Opinion of Internal Control

Internal Audit assesses the effectiveness of internal control, within the scope of what is audited. This measure is therefore a relative one.

Category	Assurance Level	Description
1	Substantial Assurance	Substantial assurance can be provided that arrangements to secure risk management, governance and internal control are being effectively managed. Management action may still be required in a small number of areas where the exposure to residual risk is of low impact in nature.
2	Reasonable Assurance	Reasonable assurance can be provided that arrangements to secure risk management, governance and internal control are being effectively managed. Limited management action may be required to address a small number of significant issues.
3	Limited Assurance	Limited assurance can be provided that arrangements to secure risk management, governance and internal control are being effectively managed. Significant management action is required to address some important weaknesses.
4	Inadequate Assurance	Inadequate assurance can be provided that arrangements to secure risk management, governance and internal control are being effectively managed. Significant weaknesses have been identified which are likely to involve major and prolonged intervention by management. These weaknesses are such that the objectives in this area are unlikely to be met.

6 Appendix: Risk Assessment Criteria

The risks in this report have been assessed using the following criteria:

Likelihood	Very High					
	High					
	Medium					
	Low					
	Very Low					
		Very Low	Low	Medium	High	Very High
		Impact				

SUBJECT: UPDATE ON TRACKED ACTIONS & THE FOLLOW-UP OF RECOMMENDATIONS

REPORT OF THE HEAD OF AUDIT

1. PURPOSE OF THE REPORT

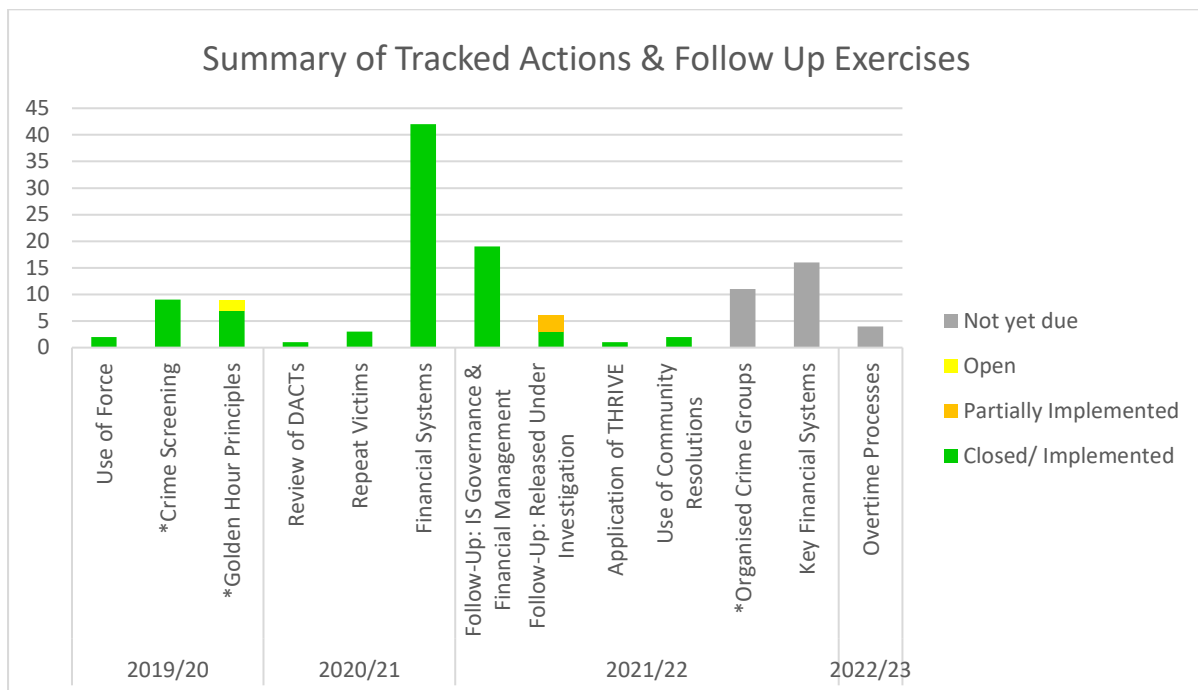
- 1.1 To provide the committee with an update on the implementation of previous audit recommendations.

2. KEY INFORMATION

- 2.1 Internal Audit follow up on recommendations included in reports which resulted in an overall assurance opinion of limited or inadequate assurance. Any fundamental recommendations within reports with an opinion of substantial or reasonable assurance are also followed up on. 'Significant' recommendations relating to a review with an overall opinion of substantial or reasonable assurance, are followed up by exception, depending on the level of risk posed to the organisation. Monitoring of 'Merits Attention' recommendations does not take place, due to the low level of risk associated with advisory actions. This enables the section to focus on the review of high-risk areas, ensuring that action is taken to address significant issues.
- 2.2 In addition to the primary follow-up activity detailed above Internal Audit will liaise with Humberside Police's Strategic Planning Department who undertake their own action tracker activity which seeks updates on management action against all audit recommendations irrespective of the overall assurance opinions assigned to the audit report, including those assessed as providing reasonable assurance. In order to provide assurance and subsequent reliance on the action tracker work undertaken Internal Audit will also dip-sample selected actions to provide evidence and confirmation that the closure of recommendations can be considered appropriate.

Current Status

- 2.3 As part of this initial detailed follow-up/ action tracker report Internal Audit have collated the audit reports and follow up work undertaken since 2019/20 into a table below.



* indicates those audit reports providing limited or inadequate assurance which will be subject to follow up activity.

Current Follow-Up Work

2.4 There are currently two significant areas of follow-up activity as highlighted in the progress report, namely Crime Screening and Golden Hours which both originally provided limited assurance in 2019/20.

2.4.1 Crime Screening

The Crime Screening audit, reported in 2020 provided limited assurance (positive direction of travel) that the crime screening processes in place at the time of the audit ensured that filtering and prioritisation was consistent, appropriate, ethical and supported efficient use of resource. A number of key areas of improvement were identified including the use revised and consistent standard operating procedures, consistency of approaches to crime screening across both banks, training and development requirements and development of quality assurance mechanisms.

Initial follow up activity commenced in 2021 but this activity was subsequently delayed as a result of the change in Force Crime Registrar and more recently due to the prioritisation of the 2022 HMRCFRS inspection commitments. The auditor was advised during initial discussions with the new Force Crime Registrar that HMICFRS provided generally positive feedback during the inspection debrief in relation to Crime Screening, suggesting improvements have been made since the 2020 Internal Audit review.

The follow-up work was subsequently undertaken in September 2022 and the audit report recently drafted positively reflects on the Crime Management Unit (CMU) Review which has captured the required improvements as part of a detailed action plan.

2.4.2 Golden Hour Principle (GHP) Compliance

In 2019, the force rolled out an initiative aimed at improving Golden Hours Principle (GHP) compliance. Internal Audit reviewed the initiative several months post implementation, providing a limited assurance opinion due to inconsistent practice & assessment of compliance, and an absence of monitoring and measurement to determine whether the initiative was achieving its ultimate purpose, improved outcomes.

The Internal Audit review, planned for 2021/22, was to evaluate the actions the force had taken to monitor and measure the extent the GH initiative leads to the improved outcomes.

Through opening discussions, it is evident that the force has recognised that the GH initiative had lost momentum and was taking action to reinvigorate it. The force had designed new GHP templates for use within Niche, which was eventually implemented in May 2022. Internal Audit were advised that consideration would be given to monitoring and measurement of outcomes once the new GH process and infrastructure had been established and become firmly embedded.

It was therefore agreed with the force that a review would take place, split into two parts. Firstly an evaluation of what the force is doing/has done to reinvigorate the Golden Hour Principles work and secondly, once the new GH Niche process has been embedded for several months Internal Audit will evaluate what the force is actually doing to measure GH effectiveness, commenting on outcomes, and making recommendations for improvement as appropriate.

It has been agreed that an interim briefing note prepared in 2021/22 which primarily relates to the first element of this work will be incorporated into the agenda and actioned as part of the Patrol Board activity. This will be reported to a subsequent JIAC once agreed.