

**OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR HUMBERSIDE
DECISION RECORD**

Decision Record Number: 13/2024

Title: Joint Independent Audit Committee (JIAC) Governance

Executive Summary:

The Joint Independent Audit Committee (JIAC) has functioned for a number of years and the Financial Management Code of Practice for the Police Service of England and Wales, which was revised in 2018, provided clarity around the financial governance arrangements within policing. The statutory requirements are covered later in this report. The key aim of this report is to transfer the day-to-day running of the JIAC over to the Office of the Police and Crime Commissioner (OPCC).

At present, the secretariat function is provided by East Riding of Yorkshire Council. The contract for this ran initially from 31 January 2020 to 31 December 2022, and was extended accordingly. Discussions commenced in late 2023 around moving this provision back to the OPCC in order to better fit their governance arrangements. It was informally agreed that the OPCC would move provision from 1 April 2024, and this decision record undertakes to move in provision. East Riding of Yorkshire Council are fully aware of this change and have no objections. The OPCC has provided the three-month notice as required.

Decision of the PCC:

Approved.

Background Report: Open

Police and Crime Commissioner for Humberside

I confirm I have considered whether I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with my code of conduct.

Any such interests are recorded below.

The above decision has my approval.

Signature



Date 20/03/2024

POLICE AND CRIME COMMISSIONER

FOR HUMBERSIDE

SUBMISSION FOR: DECISION

OPEN

Title: Joint Independent Audit Committee (JIAC) Governance

Date: 8 March 2024

1. Executive Summary

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2. Recommendation(s)

That the day-to-day running of the Joint Independent Audit Committee (JIAC) is transferred over to the Office of the Police and Crime Commissioner (OPCC) from April 2024.

3. Background

Current Governance

The Joint Independent Audit Committee (JIAC) has functioned for a number of years and the Financial Management Code of Practice for the Police Service of England and Wales, which was revised in 2018, provided clarity around the financial governance arrangements within policing. The statutory requirements are covered later in this

report. The key aim of this report is to transfer the day-to-day running of the JIAC over to the Office of the Police and Crime Commissioner (OPCC).

At present, the secretariat function is provided by East Riding of Yorkshire Council. The contract for this ran initially from 31 January 2020 to 31 December 2022, and was extended accordingly. Discussions commenced in late 2023 around moving this provision back to the OPCC in order to better fit their governance arrangements. It was informally agreed that the OPCC would move provision from 1 April 2024, and this decision record undertakes to move in provision. East Riding of Yorkshire Council are fully aware of this change and have no objections. The OPCC has provided the three-month notice as required.

The existing cost of providing this service was based on a meeting-by-meeting basis, charged for a total of 13 hours work per meeting and associated involvement around that meeting. Based on a general approximation of 5 meetings per annum, this calculated to around £2,106 per annum, with additional costs for printing and postage of agenda/minutes as appropriate. The intention of moving the function back to the OPCC is entirely based on providing greater effectiveness through links to our other governance and not around reducing costs.

The duties undertaken by East Riding of Yorkshire Council through their Principal Committee Manager can now be undertaken by the OPCC Assurance and Statutory Duties team. Several years ago the team were unable to undertake the functions required, but are now sufficiently staffed to enable this to happen.

Current Guidance

It is worth briefly discussion the current national guidance to understand the role of audit committees generally.

The working financial relationship between the PCC and their Chief Constable is set out in the Financial Management Code of Practice issued from time to time by the Home Secretary under statute.

The Financial Management Code of Practice for the Police Service of England and Wales was revised in 2018 and provides clarity around the financial governance arrangements within policing. Section 11.1.3 sets out guidance around audit committees as follows:

11.1.3 Audit committees

The PCC and the Chief Constable should establish an independent Audit Committee. It is recommended that this be a combined body which will consider the internal and external audit reports of both the PCC and the Chief Constable.

The committee will advise the PCC and the Chief Constable according to good governance principles and to adopt appropriate risk management arrangements in accordance with proper practices. In setting up the Audit Committee, the PCC and the Chief Constable should have regard to the CIPFA Position Statement and supporting guidance on Audit Committees.

Membership: *the Audit Committee should comprise between three and five members who must all be independent of the PCC and the force.*

Terms of Reference: *the Audit Committee should establish formal terms of reference, covering its core functions, which should be formally adopted and reviewed on an annual basis. Best practice principles should be considered in determining the activities of the Audit Committee.*

PCC and Chief Constable representation: *the executive of the PCC and the Force Command Team should be represented at meetings of the Audit Committee.*

[https://assets.publishing.service.gov.uk/media/5b51fb24ed915d0b76ac4ea7/CCS207_CCS0718021968-001_HO_FMCP_2018_Print_.pdf]

In respect of mention of having regard to the CIPFA Position Statement and supporting guidance on Audit Committees, this states that:

“Audit committees are a key component of governance. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. They play an important role in supporting leadership teams, elected representatives, police and crime commissioners and chief constables.”

Next Steps

Following the transfer, the OPCC will as part of its Delivery Plan 2024-25 further consider the remit of the committee to ensure greater fit with the overall OPCC governance and assurance requirements, as well as the requirements set out in the Financial Management Code of Practice for the Police Service of England and Wales and the CIPFA Position Statement and supporting guidance on Audit Committees.

4. Options

Proposed Changes

Based on the above requirement, and following discussion with the Force, OPCC Chief Executive and consideration of audit committees elsewhere, it is proposed to transfer over the existing JIAC membership, annual allowance, and the Terms of Reference (subject to removal of the GAS Committee references) to the OPCC from 1 April 2024. The revised Terms of Reference are attached at Appendix 1.

5. Financial Implications

The existing cost of providing this service was based on a meeting-by-meeting basis, charged for a total of 13 hours work per meeting and associated involvement around that meeting. Based on a general approximation of 5 meetings per annum, this calculated to around £2,106 per annum, with additional costs for printing and postage of agenda/minutes as appropriate. The intention of moving the function back to the OPCC is entirely based on providing greater effectiveness through links to our other governance and not around reducing costs.

6. Legal Implications

At present, the secretariat function is provided by East Riding of Yorkshire Council. The contract for this ran initially from 31 January 2020 to 31 December 2022, and was extended accordingly. Discussions commenced in late 2023 around moving this provision back to the OPCC in order to better fit their governance arrangements. It was informally agreed that the OPCC would move provision from 1 April 2024, and this decision record undertakes to move in provision. East Riding of Yorkshire Council are fully aware of this change and have no objections. The OPCC has provided the three-month notice as required.

There are no further legal implications, other than the need to understand the working financial relationship between the PCC and their Chief Constable as set out in the Financial Management Code of Practice issued from time to time by the Home Secretary under statute.

7. Driver for Change/Contribution to Delivery of the Police and Crime Plan

The duties undertaken by East Riding of Yorkshire Council through their Principal Committee Manager can now be undertaken by the OPCC Assurance and Statutory Duties team. Several years ago the team were unable to undertake the functions required, but are now sufficiently staffed to enable this to happen. This links to Aim 3 of our Police and Crime Plan around development of effective organisations.

8. Equalities Implications

There are no identified equality implications at this time other than consideration of how we undertake future JIAC member recruitment, which will fit inline with our approach to recruitment and volunteering.

9. Consultation

Discussions commenced in late 2023 around moving this provision back to the OPCC in order to better fit their governance arrangements. It was informally agreed that the OPCC would move provision from 1 April 2024, and this decision record undertakes

to move in provision. East Riding of Yorkshire Council are fully aware of this change and have no objections. The OPCC has provided the three-month notice as required.

10. Media information

There are no media implications at this time.

11. Background documents

- (a) Contractual agreement between the Humberside PCC and East Riding of Yorkshire Council.
- (b) Financial Management Code of Practice for the Police Service of England and Wales (revised 2018).
- (c) CIPFA Position Statement and supporting guidance on Audit Committees.

12. Publication

Open

13. DPIA considered

Discussed with OPCC DPO and no concerns raised at this time. Paper documents transferred to the OPCC will be placed into storage for the legal retention period.

JOINT INDEPENDENT AUDIT COMMITTEE (JIAC) INFORMATION

Allowances

Chairperson £1,680 per annum paid quarterly from 1 April 2024.

All other members £1,480.50 per annum paid quarterly from 1 April 2024.

Expenses forms will need to be completed at least quarterly for travel expenses and tolls.

Members

The current members are:

Chris Brown (Chair): from 1 April 2022 until 31 March 2025

Melissa Dearey: from 1 April 2023 until 31 March 2026

Kath Lavery: from 1 April 2022 until 31 March 2025 (resigned 22 January 2024)

Nigel Saxby: from 1 April 2023 until 31 March 2026

Gerry Wareham: from 1 April 2022 until 31 March 2025

Term of office is three years with option to extend for a further three-year term.

HUMBERSIDE POLICE AND CRIME COMMISSIONER/HUMBERSIDE POLICE
JOINT INDEPENDENT AUDIT COMMITTEE
TERMS OF REFERENCE

Composition

The size and membership of the Joint Independent Audit Committee (JIAC) between three and five members as per Section 11.1.3 of the Financial Management Code of Practice for the Police Service of England and Wales (revised 2018).

Currently the Committee is made up of four independent Members.

Terms of Office

Members will be appointed for a period of one 3-year term and be eligible for re-appointment for one additional term.

Meetings

The Committee normally meets five times a financial year.

Quorum

The quorum for meetings shall be three.

Statement of Purpose

The Committee is a key component of our corporate governance. It provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Committee is to provide independent advice and recommendations to the Commissioner and the Chief Constable on the adequacy of the governance and risk management frameworks, internal controls and financial reporting, annual governance processes and internal and external audit, thereby helping to ensure efficient and effective assurance arrangements are in place.

The Committee is therefore responsible for providing assurance to the Commissioner and the Chief Constable in respect of:

Governance and risk

1. Ensuring effective governance is in place and functioning efficiently and effectively and to make any recommendations for improvement.
2. Reviewing the Annual Governance Statements prior to approval.

3. Considering the framework of assurance and ensuring that it adequately addresses the risks and priorities of the OPCC/the Force.
4. Monitoring the effective development and operation of risk management, reviewing the risk profile, and monitoring the adequacy of management action in addressing risk-related issues reported to them.
5. Considering the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
6. Reviewing arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter-fraud strategy, actions and resources.

Internal audit

7. Considering (i) the internal audit plan (and any proposed revisions), (ii) regular progress reports, and (iii) the Head of Internal Audit's annual report and opinion and the level of assurance it can give over corporate governance arrangements and the effectiveness of internal controls.
8. Considering summaries of internal audit reports and such detailed reports as the committee may request from the Commissioner/Chief Constable, including issues raised or recommendations made by internal audit and the adequacy of management action to address areas identified for improvement.
9. Overseeing the appointment and considering the adequacy of the performance of the internal audit service and its independence.
10. Considering a report on the effectiveness of internal audit to support the Annual Governance Statement

External audit

11. Receiving the external Audit Plan, the external auditor's annual management letter, relevant reports, and the report to those charged with governance and consider the adequacy of the of action being taken by the Commissioner or Chief Constable to address recommendations for improvement .
12. Commenting on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.

13. Advising and recommending on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

Financial reporting

14. Reviewing the annual statement of accounts to provide assurance that they comply with relevant requirements before approval by the Commissioner and the Chief Constable.

Other Responsibilities

15. Reviewing and assessing the adequacy of the Terms of Reference annually and seeking the approval of the Commissioner and the Chief Constable for any proposed changes.
16. Producing an Annual Report that provides details of the Committee's work, evaluates its performance during the preceding year and confirms whether all allocated responsibilities have been carried out.
17. Preparing reports on issues highlighted by the Committee recommending appropriate actions for consideration by the Commissioner and or Chief Constable or their statutory officers.
18. Performing any other relevant activities requested by the Commissioner and or Chief Constable, by agreement with the Committee.