



**HUMBERSIDE  
POLICE & CRIME  
COMMISSIONER**



**Serving our communities to  
make them safer and stronger**

**THE JOINT INDEPENDENT AUDIT COMMITTEE  
OF  
THE POLICE AND CRIME COMMISSIONER FOR  
HUMBERSIDE  
AND  
THE CHIEF CONSTABLE OF HUMBERSIDE POLICE**

**ANNUAL REPORT 2018/19**

**HumberSide Joint Independent Audit Committee  
Annual Report 2018/19**

Contents

1	Foreword
2	Meetings
3	Attendance
4	Development and Training
5	Work of the Committee
6	Governance and Financial Statements
7	Internal Audit, External Audit and Fraud
8	Risk Management
9	Treasury Management
10	Other Issues
11	Audit Committee Effectiveness
12	Force Engagement
13	Collaboration
14	Added Value
15	Costs
16	The Future
17	Further Information
	Appendix – Terms of Reference

**Humberside Joint Independent Audit Committee  
First Report Covering the Period March 2019 to September 2019**

## 1. Foreword

This is the second report of the Police and Crime Commissioner for Humberside and Chief Constable of Humberside Police's Joint Independent Audit Committee (JIAC). It covers the period from April 2018 to September 2019. The Terms of Reference of the Committee are attached at Appendix 1.

The purpose of the JIAC is to provide independent advice and recommendations to the Commissioner and the Chief Constable on the adequacy of the governance and risk management frameworks, the internal control environment and financial reporting to help them to ensure efficient and effective assurance arrangements are in place. To this end the Committee is enabled and required to have oversight of, and to provide independent review of, the effectiveness of the governance, risk management and control frameworks within the Office of the Police and Crime Commissioner (OPCC) and the Humberside Police Force and the financial reporting and annual governance processes together with internal and external audit arrangements.

### Membership/Bibliographies

The Membership of the Committee is as follows:

Member	Bibliography
Doug Chapman (Chair)	<p>Doug has a BSC in Finance and is a consultant on ITIL Service Support and Service Delivery, business restructuring and customer services Initiatives and has over 25 years' experience of working in the public safety sector in the field of Police/Fire/Ambulance/HM Coastguard/RNLI.</p> <p>His work has had a particular emphasis on Broadcast Engineering/Voice transmission &amp; Data Communications within the Emergency Services, including Managed Services and Outsourcing via acquisition. He has worked for Phillips, NTL and Arqiva and was responsible for the successful transition of all engineering and back office function personnel from Philips to NTL.</p> <p>He has been a Public Safety Board Member having significant involvement in major product development and programme delivery of National communication upgrades. He has experience of heading teams with accountability for engineering service support Budgets of over £500m with Senior UK Operating Board and Divisional Director level.</p> <p>His outside interests include golf where he is the captain of the Ashby Decoy Golf Club and rugby union having been an international and Premiership referee. Doug is also a past Governor of John Leggott College with responsibility for audit and remuneration.</p>
Martin Allingham	<p>Martin joined the Central Electricity Generating Board in 1966, gaining a degree in Electrical Engineering. He became a Chartered Engineer in 1978 and obtained a Diploma in Management Studies in 1983.</p> <p>He spent 38 years as an engineer in the power industry, mainly as a Performance Engineer, culminating in the post of Commercial Controller of a gas fired power station at Killingholme. He has experience in preparing Business Plans and economic justifications.</p> <p>Martin is a member of Humberston Lions Club, having held the posts of Secretary and President and is also a Trustee of the local Citizens Advice Bureau.</p> <p>He is a Chair of the Valuation Tribunal for England, adjudicating over appeals against Business Rates or Council Tax issues and is presently a Member of the Board of the government body, The Valuation Tribunal Service that oversees its operation.</p>

Member	Bibliography
Jim Doyle	<p>Jim is a self-employed provider of non-executive solutions across a wide range of sectors a role that he has performed since 2009. Before that he was a Financial Director of a globally branded food business for 10 years, and a UK hotel group for 5 years. He has worked at C-Suite level since 1988 in over 20 sectors.</p> <p>He is a Fellow of the Chartered Institute of Management Accountants and a member of the Hospitality Professionals Association.</p> <p>Jim is on a number of NED panels, including KPMG, RSM, BTG, Barclays &amp; Muckles LLP and was a Non-Executive Director in the NHS between 2006 &amp; 2008. During his career he has been Chairman of a global healthcare software business &amp; Managing Director of an engineering company.</p> <p>He has been a trustee/director of the local Citizens Advice Bureau since 2015 and of Dove House Hospice since 2013 [Vice Chairman].</p> <p>His outside interests include sport and music.</p>
Pam Jackson	<p>Pam has worked at the University of Hull since in 2006, most recently as the Research Manager for the Faculty of Business Law and Politics. She has worked on a number of international research consortia, Chaired a European group of research managers and delivered projects involving port operations and the logistics of both food and fish. In addition, she has managed the successful application for the £6 million Sparkfund project funding, which is now supporting businesses with innovation in our region.</p> <p>Her career has been spent in universities and local authority employment and her roles have included being Registrar, HR Manager and Staff Development Manager. In the latter she has been: Policy Group Manager, Local Strategic Partnership Manager and Committee Manager.</p> <p>In addition to the 'day job' she has been the Chair of the Governing Body for Cottingham High School, an elected staff representative on a university Academic Board, an elected staff representative on a university Board of Governors and an elected member of the National Executive Committee of a professional association.</p>
Andy Smith	<p>Andy is a native of Leicester and after secondary education went on to graduate from the University of Newcastle -on-Tyne with a degree in English Literature.</p> <p>He joined M&amp;S as a graduate trainee before moving to Northern Foods as an HR Manager, subsequently moving on to become HR director of Britvic Soft Drinks, Bass Brewers and Wedgwood UK.</p> <p>After retirement, he moved to East Yorkshire and became a magistrate in Hull for 10 years, He was also a member of the Humberside Police Authority for 6 years and chaired the Human Resources Committee.</p> <p>Andy is currently a director of a Multi Academy Trust and a Board Member of The Alcohol and Drug Service.</p> <p>His outside interests include sports-mainly rugby union and cricket and he is also interested in travel and current affairs.</p>
Mandy Tomlinson	<p>Mandy Thomlinson is Master of Medical Science and member of the Institute of Health Care Management. She is also a part qualified accountant. In addition she has considerable experience as a management consultant and auditor and she has held senior positions in the NHS. Mandy has worked in the voluntary sector as a charity coordinator. She is a good communicator and facilitator with considerable experience in overseeing finance and governance regimes. Having spent time as a member of Humberside Police Authority's Standards Committee and acting as an Independent Person for the East Riding of Yorkshire Council, she is fully conversant in ensuring that standards in public life are maintained.</p> <p>She is a good team player who has the ability to see the big picture whilst paying close attention to detail, skills she has demonstrated as a member of the Humberside Fire Authority's Governance, Audit and Scrutiny Committee and in her role as a member of the Joint Independent Audit Committee.</p>

Clive Vertigans	<p>Clive started work with British Gas and was involved in Internal Audit for 4 years covering all aspects of the business, sales reporting to the Chairman and Director of Finance. He later became Area Accountant for Hull &amp; East Coast and was involved in restructuring and rationalisation of operations at Clough Road in Hull before moving to headquarters in Leeds.</p> <p>He subsequently became Operations Manager for 280 internal staff and 200 external staff and was the management representative on National Committees, local TU productivity meetings and disciplinary hearings.</p> <p>Clive has been Implementation Manager on 3 key IT systems dealing with consultants, systems analysts and users.</p> <p>He was appointed National Electricity Manager overseeing the contracts with the 14 Public Electricity Companies worth approx. £40 million per year working with the Managing Director.</p> <p>He has been a local Magistrate for 22 years in Hull and East Yorkshire and over past 4 years he has been involved in covering Family Courts in Sheffield, Huddersfield and Leeds in addition to Hull and Beverley.</p>
-----------------	---

Appointments were made to the first JIAC in 2012 and the original members terms' of office ran until May 2016. The current Committee are members of the Humberside Fire Authority's Governance, Audit and Scrutiny Committee who were appointed in 2017. They act in their individual capacities as the JIAC for the Police and Crime Commissioner and the Chief Constable. As detailed above, they bring with them a range of experience and skills which cover the various aspects of the work of the Committee.

All of the Members of the Committee received briefings in March 2017 prior to the first JIAC meeting.

## 2. Meetings

JIAC Meetings have been held quarterly since its formation with additional meetings as and when required. The Committee has met on 7 occasions since April 2018 on the following dates:-

25 May 2018  
30 July 2018  
24 September 2018  
10 December 2018  
18 March 2019  
6 June 2019  
29 July 2019  
23 September 2019

## 3. Attendance\*

Audit Committee Member	Possible Meetings	Meetings Attended
Doug Chapman (Chair)	8	8
Martin Allingham	8	6
Jim Doyle	8	8
Pam Jackson	8	8
Andy Smith	8	8
Mandy Tomlinson	8	8
Clive Vertigans	8	8

Total Possible Attendances	56
Total Actual Attendances	54

Audit Committee Member	Possible Meetings	Meetings Attended
Percentage Attendance	96%	

#### 4. Development/Training

Efforts have been made to assist members to carry out their duties with support undertaken and planned in a number of ways including:-

##### *Development*

Engagement with the Force HMIC Governance Board

Attendance at CIPFA Events

Access to PACCTS/NPCC Briefings

PSAA Quality Forum meetings

##### *Training Sessions*

The Role of the Audit Committee

Insurance and Risk

Risk Management

Treasury Management

##### *Strategic Briefings*

Medium Term Resource Strategy

Budget and Precept Reports

Commissioner's Annual Reports

Force Governance

HMICFRS PEEL

IS/IT

Civil Claims

##### *Training and Development Plan*

Members will be consulted on potential areas for training and development and preferred delivery methods with a view to formulating a documented Training and Development Plan.

#### 5. Work of the Committee

The JIAC has reviewed its terms of reference at each meeting to ensure that they are relevant and up to date.

The Committee has considered a proposed business cycle that has been used to develop Committee agendas. It identifies the requirement for reviews and reports covering key areas of activity including:-

- Statutory and Corporate Governance Issues
- Finance
- Assurance
- Risk Management
- Internal Audit and Counter Fraud
- External Audit
- Audit Committee Reviews and Self Assessments
- Other Agency inspections
- Collaboration/Partnerships
- Transparency

A secure area of the PCC's website has been established to enable members to have access to reports and reference material.

Minutes of the meetings of the JIAC are available to the Police and Crime Commissioner and the Chief Constable together with their statutory officers. Minutes are published on the PCC's website. They are also available on the Members' Website together with copies of the agendas and papers for each meeting.

The Chairman will present this and future annual reports to the Accountability Board. This will establish the basis for the Commissioner and the Chief Constable holding the JIAC to account.

## **6. Governance and Financial Statements**

The Committee has supported the Commissioner and the Chief Constable, in particular through involvement in the monitoring strategic risk management. The Committee has received updates at each meeting on the risks being managed by the Force and the OPCC Management Team.

The draft and final Annual Governance Statements (AGSs) have been considered prior to sign off by the Commissioner and the Chief Constable.

For the 2017/18 financial statements, the Committee received an update on the preparation arrangements in May 2018 and considered copies of the draft unaudited accounts at its July meeting. The final audited accounts together with the KPMG's clean audit opinion and unqualified value for money conclusion were considered in September 2018, prior to approval by the Commissioner and the Chief Constable to provide assurance that they complied with the relevant requirements. Members also considered the letters of representation in connection with the financial statements. The Annual Audit Letter for 2017/18 from KPMG was considered at the meeting on 10 December 2018.

Mazars LLP were appointed as external auditors to the Police and Crime Commissioner and the Chief Constable in late 2018. Members have been introduced to the Mazars team and the Committee considered the External Audit Strategy Memorandum 2018/19 at its March 2019 meeting.

The draft unaudited accounts for 2018/19 for the PCC and Group and for the Chief Constable were published on 31 May 2019 along with the PCC's and the Chief Constable's draft Annual Governance Statements.

The audited accounts were considered at the meeting on 29 July 2019 and included a clean audit opinion from Mazars on the financial statements and an unqualified value for money conclusion. Letters of representation were also considered at this meeting together with the final Annual Governance Statements. The accounts were formally signed off and published along with the Annual Governance Statements by the 31 July deadline. The Annual Audit Letter from Mazars was considered at the meeting on 23 September 2019.

## **7. Internal Audit, External Audit and Fraud**

The OPCC for West Yorkshire were engaged to provide the internal audit function to the PCC and Chief Constable following a tender exercise. In 2018, this collaboration was continued under a s22 agreement.

KPMG's 5 year appointment as external auditors ended following conclusion of the 2017/18 audit. Together with most PCCs and Chief Constables and local authorities the PCC and Chief Constable entered into arrangements with Public Sector Appointments Ltd (PSAA) to conduct a tender exercise for external audit provision. The result was that Mazars LLP were appointed in late 2018 to undertake the 2018/19 audits in Humberside.

Members have the ability to meet privately with both Internal and External Auditors prior to each meeting without officers present.

The Committee considered and approved the Internal Audit Strategies and Audit Plans for 2018/19 and 2019/20 and have received regular progress reports against those Plans. Reports contain full details of any audits that result in limited assurance opinions.

Members have access to all Internal Audit reports via the secure area of the PCC's website. Summaries and details of recommendations outstanding are submitted formally to the Committee as part of the progress reports.

The Head of Audit liaises with auditors from Barnsley Council who are internal audit providers to the South Yorkshire PCC and Chief Constable on audit aspects of the two force collaboration. Audit activity which is part of the four and seven force collaborations is carried out internal auditors of the lead force for the services involved.

Members have reviewed the effectiveness of internal audit and been satisfied with the service provided and the level of support given to the Committee. The annual reports and opinions of the Head of Audit on the control environment have also been considered. These opinions have supported the AGSs.

The JIAC has also been sighted on the wider audit and inspection activity conducted within the Force, and is now sighted on this activity via the work of the HMIC Governance Board.

Progress reports from KPMG at the three meetings held in 2018 and Mazars have attended all of the other meetings held during the period. The JIAC has considered all external audit reports as they are required to do. These reports have included the ISA 260 reports to those charged with governance each year.

The Anti-Fraud and Corruption Strategy and Fraud Response plan have been in place throughout the period and the Committee have been sighted on the work that has continued to be undertaken in Force reports on an annual fraud risk assessment considered at the meetings on September 2018 and 2019. This includes information on the continued participation in the National Fraud Initiative. Members have been briefed on the work of the Force's Professional Standards Department at the Force's HMIC Governance Board and will receive further briefings at the full committee in due course.

## **8. Risk Management**

The JIAC has considered risk management arrangements and the matter has been discussed at each meeting when summary information has been provided on the risks being managed by the Force and the OPCC.

## **9. Treasury Management**

The Committee has been designated by the PCC as the body to give prior scrutiny to reports in connection with Treasury Management. This is in accordance with the CIPFA Code of Practice on Treasury Management and the Prudential Code for Capital Finance in Local Authorities Prudential. The Committee considered the Treasury Management Strategy Statement (TMSS) for 2019/20 on 18 March 2019. Members were also provided with information on the Capital Strategy 2019/20– 2023/24. After considering the TMSS for 2018/19, the Committee received a mid-year review report on 18 December 2018 and the annual report for the year at its meeting on 7 June 2019 in accordance with the requirements of the Code. On each occasion, the reports, including prudential indicators and performance against them were recommended to the Commissioner and subsequently approved.

## **10. Other Issues**

Members are kept abreast of issues impacting upon policing, both locally and nationally, by receiving briefings from officers from the OPCC and Force. Senior officers have provided regular updates on local policing issues and members have been invited to become engaged in Force activities. In addition, individual members are now regularly attending meetings of the HMIC Governance Board on a rotational basis.

Regular reports have been considered in connection with budget monitoring and workforce plans with periodic update reports being submitted on significant issues such as HMICFRS Integrated PEEL Assessments, Force Management Statements, Medium Term Resource Strategies, budget setting and discussions with the Police and Crime Panel.

## **11. Audit Committee Effectiveness**

In 2018 a self-assessment exercise was undertaken involving all of the members of the Committee to consider its own effectiveness. The results were collated by the Chair of the Committee and reported to the meeting on 24 September 2018. Areas for improvement were considered at the meeting on 10 December 2018 and an action plan has been developed to address the issues raised.

## **12. Force Engagement**

Senior officers from the Force have briefed members of the Committee on topical operational and other policing issues at each meeting. Since January 2019 members have attended meetings of the Force's HMIC Governance Board in rotation. This Board which is chaired by the DCC meets monthly and involves all of the Divisional Commanders and Branch Heads has provided members with in depth information and analysis on the issues affecting the Force. The meeting is also attended by representatives from the OPCC and Internal Audit and focuses on all aspects of the Integrated PEEL Assessment, efficiency, effectiveness and legitimacy. Information is also provided on national issues affecting the service and members also receive updates on the production of Force Management Statements, Internal Audit activity and Force assurance processes.

## **13. Collaboration/Development**

Members have attended events organised by PSAA Ltd., CIPFA and other events to aid networking with other audit committee members in addition to providing opportunities to identify and share best practice in this field.

Work is underway to seek to establish links with other JIACs, notably South Yorkshire given the close collaboration between the PCCs and Forces on a range of issues. Links with the Police and Crime Panel are also being explored.

The experience of the members with regard to their involvement with the Humberside Fire and Rescue Service also provides potential for shared activity given the increased interaction between the Force and HFRS in areas such as the work on Estates and ESFM Ltd.

## **14. Added Value**

The Committee is considering ways in which members can use their expertise to add value in contributing to achieving the aims and objectives of the Commissioner and the Chief Constable.

Members also support the work of the Force and the Office of the Police and Crime Commissioner in other ways e.g. attending staff appeals panels in rotation.

The Committee was represented at a recent event celebrating and recognising the voluntary and independent support provided to the PCC which included representatives from the Diversity Panel, Independent Custody Visitors and the Appropriate Adults Scheme.

## **15. Costs**

The estimated costs of the Committee in 2019/20 is £12,000.

## **16. The Future**

The work of the JIAC involves building relationships with the Commissioner, the Chief Constable, senior officers, External Auditors and Internal Auditors to ensure that all partners work together productively and efficiently. This is something that each member of the Audit Committee is committed to.

Alongside the work of the JIAC the OPCC has been increasingly active in terms of scrutiny of Force activity in other areas such as Equality and Diversity, Ethics, Use of Force, Domestic Abuse and Stop and Search in addition to established schemes such as Independent Custody visiting which may offer more opportunities for joint activity.

The JIAC will need to review the implications of legislative and professional guidance which may affect its work such as the CIPFA: The Role of the CFO in Policing, the Role of the Head of Internal Audit and changing governance arrangements affecting police and fire.

Following a self-assessment of the effectiveness of the Committee and the action plan will continue to be developed and implemented during 2019/20.

## 17. Further information

For further information on the work of the Joint Independent Audit Committee (agendas, minutes and reports) please visit the Police and Crime Commissioner for Humberside's website at <http://www.humberside-pcc.gov.uk/Working-for-you/How-We-Make-Decisions/How-We-Make-Decisions.aspx>.

*Doug Chapman*

**Chair  
Joint Independent Audit Committee  
Humberside Police and Crime Commissioner and Chief Constable**

**July 2019**

DRAFT

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