

ORIGINATOR: BUSINESS ADMIN OFFICER

PAPER NO: AC24/20

SUBMITTED TO: AUDIT COMMITTEE 5 JULY 2024

SUBJECT: REVIEW OF COMMITTEE ACTIVITIES 2023/24

SUMMARY:

This report documents the activity of the Audit Committee in 2023/24 against the following categories in the Terms of Reference:

- Governance, Risk and Control;
- Internal Audit;
- External Audit;
- Financial Reporting;
- Accountability Arrangements;
- Treasury Management; and Wider Functions.

RECOMMENDATION:

The Audit Committee is asked to review activities during 2023/24 as set out in this report.

DETAIL OF THE SUBMISSION

1. KEY ISSUES FOR CONSIDERATION

- 1.1 The Suffolk Police and Crime Commissioner and Chief Constable's Audit Committee finalised and agreed its terms of reference at its meeting on 27 June 2014. They were amended to include Treasury Management in April 2019.
- 1.2 The Terms of Reference (Appendix A) state at point 6 that "The Committee will review its performance against its terms of reference and objectives on an annual basis."
- 1.3 This report provides a summary of activity within the financial year 2023/24 categorised according to the requirements set out in the Terms of Reference. References to published reports are included where appropriate.

2. SUMMARY OF COMMITTEE ACTIVITY

Meetings of the Audit Committee

- 2.1 Meetings in 2023/24 were conducted on the following dates in person at Police Head Quarters in Martlesham, with the option to join remotely via Microsoft Teams:
 - 23 June 2023
 - 29 September 2023
 - 25 January 2024
 - 15 March 2024

Governance, Risk and Control

- 2.2 *"The Committee will consider the corporate governance arrangements and review annual governance statements (including in relation to ethical values) of the PCC and Chief Constable".*

In June 2023 the Audit Committee considered the draft Annual Governance Statement for the Police and Crime Commissioner for 2022/23 prepared by the Chief Executive and Chief Finance Officer (Paper AC23/12) and the draft Annual Governance Statement for the Chief Constable for 2022/23 and prepared by the Assistant Chief Officer (Paper AC23/13).

The two Annual Governance Statements were then amended to take account of observations made by the Committee. The two Annual Governance Statements remain as draft documents, until the finalisation of the 2022/23 accounts.

- 2.3 *"The Committee will consider the effectiveness of the arrangements to secure value for money".*

The Audit Committee considered the draft Statement of Accounts for 2021/22 and the associated reports, including the draft Annual Governance Statements for 2021/22 and the draft Audit Results Report for the Year Ended 31 March 2022 at the 25 January 2024 meeting

(Paper AC24/02). The External Auditor's Annual Report for 2021/22 will be included on the agenda at the 5 July 2024 Audit committee meeting.

The External Auditor's Value for Money Interim Report for the year ended 31 March 2023 will also be included on the agenda at the 5 July 2024 Audit Committee meeting.

2.4 *"The Committee will consider the risk management arrangements of the PCC and Chief Constable."*

The Committee were able to review the risk management arrangements when they considered the draft Annual Governance Statements for 2022/23 in June 2023 (Paper AC23/12 and Paper AC23/13).

2.5 *"The Committee will consider the effectiveness of the arrangements for countering corruption and fraud."*

Any fraud/irregularities that the Internal Auditors are advised of are reported to the Audit Committee through the Internal Audit Progress report. No frauds were identified during 2023/24.

Internal Audit

2.6 *"The Committee will review the internal audit plan and propose any revisions to the internal audit plan."*

The Revised Internal Audit Plan for 2023/24 (Paper AC23/10) was considered at the June 2023 meeting, and the draft Internal Audit Strategy and Annual Internal Audit Plan for 2024/25 (Paper AC24/09) was considered at the March 2024 meeting. The Internal Auditors noted the comments as requested by the committee. The Revised Internal Audit Plan for 2024/25 will be considered at the Audit Committee meeting on 5 July 2024.

2.7 *"The Committee will consider the internal audit annual report and any appropriate in-year reports."*

Two Interim Internal Audit Annual Reports for 2022/23 were considered by the Audit Committee in June 2023 (Paper AC 23/09) and September 2023 (Paper AC 23/18). The final Internal Audit Annual Report for 2022/23 (Paper AC24/04) was considered by the Committee in January 2024. This report summarised the outcomes of the reviews carried out from the 2022/23 internal audit plan. The report included the Head of Internal Audit's Annual Opinion in order to assist the PCC and Chief Constable in producing their Annual Governance Statements.

The following in-year reports from the Internal Auditors were also received and commented on by the Committee:

- Summary Internal Controls Assurance Report (Paper AC23/08) – June 2023
- Summary Internal Controls Assurance Report (Paper AC23/17) – September 2023

- Summary Internal Controls Assurance Report (Paper AC24/03) – January 2024
- Summary Internal Controls Assurance Report (Paper AC24/08) – March 2024

External Audit

2.8 *“The Committee will consider all external auditor reports.”*

During the year, the Committee received and considered the following reports from the External Auditors:

- Draft Audit Results Report for the year ended 31 March 2022 (Paper AC24/02) – January 2024
- Update on the 2021/22 Statement of Accounts and 2022/23 External Audit (verbal) – March 2024

Financial Reporting

2.10 *“The Committee will review the annual Statement of Accounts”.*

The Audit Committee reviewed the PCC, Group and Chief Constables’ Statement of Accounts for 2021/22 at the January 2024 meeting (Paper AC24/02).

Accountability Arrangements

2.11 *“The Committee will review its performance against its terms of reference and objectives on an annual basis, including completing a self-assessment of good practice.”*

The Terms of Reference were agreed by the Committee in June 2014 (Paper AC14/09). This report contributes to the basis on which the performance for 2023/24 can be reviewed.

The CIPFA Audit Committee Self-Assessment of Good Practice (Paper AC23/15) was circulated prior to the Audit Committee meeting in September 2023, with the individual scores as submitted by the Audit Committee members being amalgamated into one overall score.

Treasury Management

2.12 *“The Committee will note the Annual Investment and Treasury Management Strategy Statement and any appropriate related monitoring reports.”*

The Audit Committee noted the Mid-Year Treasury Management Monitoring Report for 2023/24 and Annual Investment and Treasury Management Strategy 2024/25 (Paper AC24/05) during the January 2024 meeting, confirming that there have been no material changes since the 2023/24 report.

Wider Functions

2.13 *“Where requested by the Police and Crime Commissioner, Chief Constable or Statutory Officers, the Committee will consider the adequacy of governance, risk management and audit processes in relation to a specific service or policy area.”*

The Committee also made use of a Private Agenda at the meetings in June 2023, September 2023, January 2024 and March 2024 to discuss other matters of relevance including:

- Verbal Updates on the Data Protection Matter were provided at all meetings during 2023/24
- Verbal Update on the Status of the Local Audit Market – January 2024
- Verbal Update on the Appointment of the Audit Committee Members – January 2024

3. FINANCIAL IMPLICATIONS

3.1 There are no financial implications.

4. OTHER IMPLICATIONS AND RISKS

4.1 As documented in Decision Paper 11-2024, four new members of the Audit Committee were appointed on 1 March 2024, following the end of term for four existing appointees. The fifth member of the Audit Committee was reappointed to a second term, also on 1 March 2024.

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	No
Has the PCC's Chief Finance Officer been consulted?	Yes
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	Yes
Have human resource implications been considered?	Yes
Is the recommendation consistent with the objectives in the Police and Crime Plan?	Yes
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	Yes
Has communications advice been sought on areas of likely media interest and how they might be managed?	Yes
Have all relevant ethical factors been taken into consideration in developing this submission?	Yes

Appendix A

The Suffolk Police and Crime Commissioner's and Chief Constable's Audit Committee: Terms of Reference

The Audit Committee finalised and agreed its terms of reference at its meeting on 27 June 2014, amended to include Treasury Management in April 2019 as follows:

1 Statement of Purpose

- 1.1 The Audit Committee is a key component of the Office of the Police and Crime Commissioner (OPCC) and Suffolk Constabulary's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- 1.2 The purpose of the Audit Committee is to provide independent advice and recommendations to the Police and Crime Commissioner (PCC) and the Chief Constable on the adequacy of the governance and risk management frameworks, the internal control environment, and financial reporting, thereby helping 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 Office of the Police and Crime Commissioner and Suffolk Constabulary's governance, risk management and control frameworks, its financial reporting and annual governance processes, and internal audit and external audit.
- 1.3 These terms of reference will summarise the core functions of the Committee in relation to the Office of the Police and Crime Commissioner and to the Constabulary to enable it to operate independently, robustly and effectively.
- 1.4 The Committee will support effective relationships between external audit and internal inspection agencies and other relevant bodies and further encourage the active promotion of the value of the audit process.

2 Governance, risk and control

The Committee will, in relation to the Police and Crime Commissioner and the Chief Constable:

- 2.1 Consider the corporate governance arrangements and review annual governance statements (including in relation to ethical values) of the PCC and Chief Constable.
- 2.2 Consider the effectiveness of the arrangements to secure value for money.
- 2.3 Consider the risk management arrangements of the PCC and Chief Constable.
- 2.4 Consider the effectiveness of the arrangements for countering corruption and fraud.

3 Internal audit

The Committee will:

- 3.1 Review the internal audit plan and propose any revisions to the internal audit plan.
- 3.2 Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence.
- 3.3 Consider the internal audit annual report and any appropriate in-year reports.

4 External audit

- 4.1 The Committee will consider all external auditor reports.

5 Financial reporting

- 5.1 The Committee will review the annual statement of accounts.

6 Accountability arrangements

- 6.1 The Committee will review its performance against its terms of reference and objectives on an annual basis, including completing a self-assessment of good practice.

7 Treasury Management

- 7.1 The Committee will note the Annual Investment and Treasury Management Strategy Statement and any appropriate related monitoring reports.

8 Wider functions

- 8.1 Where requested by the Police and Crime Commissioner, Chief Constable or Statutory Officers, the Committee will consider the adequacy of governance, risk management and audit processes in relation to a specific service or policy area.